

RICHTERSVELD

MUNICIPALITY



Die Richtersveld leuse is:

!Ghâi //Khoredi

Dit beteken: "Strewe na sukses" in Nama

FINANCIAL STATEMENTS

30 JUNE 2019

RICHTERSVELD MUNICIPALITY

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RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

GENERAL INFORMATION

NATURE OF BUSINESS

Richtersveld Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Richtersveld Municipality includes the areas of Port Nolloth, Eksteensfontein, Kuboes, Alexander Bay, Sandrift and Lekkersing.

MAYOR

AM Jansen

MUNICIPAL MANAGER

SC Adams (Acting)

CHIEF FINANCIAL OFFICER

HA Raymond (Acting)

REGISTERED OFFICE

Private Bag X113
PORT NOLLOTH
8280

AUDITORS

Auditor-General

PRINCIPLE BANKERS

First National Bank

RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

GENERAL INFORMATION

ATTORNEYS

Tobie Kotze & Van Sitterts
Schreuders

RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE RICHTERSVELD MUNICIPALITY

WARD

1
2
3
4
Proportional
Proportional
Proportional

COUNCILLOR

WJP Links
A Bock
G Beukes
CJ Stuurman
AM Jansen
SM Isaaks
R Jonker

RICHTERSVELD MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2019, which are set out on pages 1 to 90 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2020 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

SC Adams (Acting)
Municipal Manager

Date

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

	Notes	2019 R	2018 R
ASSETS			
Non-Current Assets		213 789 331	223 047 708
Property, Plant and Equipment	2	180 663 842	185 131 900
Investment Property	3	33 047 378	37 751 089
Intangible Assets	4	78 111	164 719
Current Assets		7 416 940	11 654 221
Inventory	5	553 594	558 480
Receivables from Exchange Transactions	6	2 705 551	3 376 866
Receivables from Non-exchange Transactions	7	1 809 662	1 357 603
Taxes	17	2 216 518	3 041 324
Cash and Cash Equivalents	8	131 615	3 319 949
Total Assets		221 206 271	234 701 929
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		44 199 777	40 124 598
Long-term Borrowings	9	-	195 760
Non-current Provisions	10	41 071 580	37 043 003
Non-current Employee Benefits	11	3 128 197	2 885 836
Current Liabilities		24 424 736	24 908 258
Consumer Deposits	12	1 553 727	1 408 660
Provisions	13	-	1 994 712
Current Employee Benefits	14	2 716 082	2 539 674
Trade and Other Payables from Exchange Transactions	15	16 006 295	15 109 702
Unspent Transfers and Subsidies	16	4 045 313	2 300 679
Current Portion of Long-term Borrowings	9	103 320	1 554 830
Total Liabilities		68 624 513	65 032 856
Net Assets		152 581 758	169 669 073
Capital Replacement Reserve	18	739	739
Housing Development Fund	18	455 059	455 059
Accumulated Surplus/(Deficit)		152 125 960	169 213 274
Total Net Assets and Liabilities		221 206 271	234 701 929

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 R	2018 R
REVENUE			
Revenue from Non-exchange Transactions		41 546 329	65 555 799
Taxation Revenue		9 728 420	9 715 129
Property Rates	19	9 728 420	9 710 611
Surcharges and Taxes		-	4 518
Transfer Revenue		26 872 749	52 689 882
Government Grants and Subsidies	20	26 418 569	51 747 182
Public Contributions and Donations	21	454 180	942 700
Other Revenue		4 945 159	3 150 788
Actuarial Gains	11	-	17 164
Availability Charges	22	3 205 979	2 969 762
Fines, Penalties and Forfeits		66 736	6 384
Interest Earned - Non-exchange Transactions		1 672 444	157 478
Revenue from Exchange Transactions		26 205 914	24 763 307
Service Charges	24	19 888 316	19 165 927
Sales of Goods and Rendering of Services	25	1 347 749	2 031 261
Rent on Land	26	376 838	358 530
Rental from Fixed Assets	27	270 778	268 360
Interest Earned - External Investments	28	271 383	441 939
Interest Earned - Exchange Transactions	29	3 823 212	2 026 834
Licences and Permits.	23	1 254	6 646
Agency Services		72 319	389 410
Operational Revenue	30	154 064	74 400
Total Revenue		67 752 243	90 319 106
EXPENDITURE			
Employee related costs	31	(26 411 907)	(25 436 546)
Remuneration of Councillors	32	(2 489 136)	(2 445 929)
Bad Debts Written Off		-	(943 094)
Contracted Services	33	(4 126 852)	(7 059 081)
Depreciation and Amortisation	34	(10 929 506)	(10 868 357)
Actuarial Losses	11	(294 942)	(25 982)
Finance Costs	35	(2 812 892)	(1 915 474)
Bulk Purchases	36	(13 370 681)	(12 957 136)
Inventory Consumed	5	(987 824)	(1 464 436)
Operating Leases		(289 060)	(249 731)
Operational Costs	37	(8 525 671)	(7 353 811)
Total Expenditure		(70 238 472)	(70 719 578)
Operating Surplus/(Deficit) for the Year		(2 486 229)	19 599 528
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	5	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	38	(8 967 698)	(4 255 470)
Gains/(Loss) on Sale of Fixed Assets	39	(837 913)	886 081
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	40	(4 612 933)	-
Discounting of Receivables		-	(910 130)
Fair Value Adjustments of Financial Asset	41	-	1 364 940
Profit/(Loss) from Discontinued Operations		-	-
Water Losses	42	(182 564)	(142 076)
NET SURPLUS/(DEFICIT) FOR THE YEAR		(17 087 338)	16 542 873

RICHTERSVELD MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2019

	Capital Replacement Reserve	Housing Development Fund	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
Balance at 1 July 2017	739	455 059	161 336 977	161 792 776
Correction of Error - Note 44.7	-	-	(8 666 576)	(8 666 576)
Restated balance	739	455 059	152 670 401	153 126 200
Net Surplus/(Deficit) for the year	-	-	16 542 873	16 542 873
Net Surplus/(Deficit) previously reported	-	-	17 382 428	17 382 428
Effects of Correction of Errors - Note 44.8	-	-	(839 555)	(839 555)
Restated Balance at 30 June 2018	739	455 059	169 213 274	169 669 073
Net Surplus/(Deficit) for the year	-	-	(17 087 338)	(17 087 338)
Transfer to/from CRR	-	-	-	-
Transfer to Housing Development Fund	-	-	-	-
Balance at 30 June 2019	739	455 059	152 125 937	152 581 735

RICHTERSVELD MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 R	2018 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		9 124 534	6 783 286
Service Charges		20 623 670	20 942 714
Other Revenue		2 565 644	3 152 993
Government - Operating		20 397 267	18 126 000
Government - Capital		7 765 937	35 579 000
Interest		271 383	441 939
Cash payments			
Suppliers and Employees		(54 634 217)	(55 693 401)
Finance Charges		(513 944)	(329 067)
Transfers and Grants		-	-
Net Cash from Operating Activities	45	5 600 273	29 003 465
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(7 286 426)	(26 660 830)
Proceeds on Disposal of Assets		-	1 719 961
Net Cash from Investing Activities		(7 286 426)	(24 940 869)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in Consumer Deposits		145 067	92 684
Repayment of Borrowing		(1 647 270)	(1 447 499)
Net Cash from Financing Activities		(1 502 204)	(1 354 815)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3 188 356)	2 707 781
Cash and Cash Equivalents at the beginning of the year		3 319 949	612 167
Cash and Cash Equivalents at the end of the year	46	131 615	3 319 949
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3 188 334)	2 707 781

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2019 R	%
ASSETS									
Current Assets									
		4 663 581	266 328	4 929 909	-	-	4 929 909	58 152	-98.82%
		-	-	-	-	-	-	73 463	100.00%
		4 149 613	4 249 559	8 399 172	-	-	8 399 172	2 705 551	-67.79%
		1 111 107	(75 816)	1 035 291	-	-	1 035 291	4 026 180	288.89%
		-	-	-	-	-	-	-	-
		339 686	250 068	589 754	-	-	589 754	553 594	-6.13%
Total Current Assets	49.2.1	10 263 987	4 690 139	14 954 126	-	-	14 954 126	7 416 940	-50.40%
Non-Current Assets									
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		37 555 511	-	37 555 511	-	-	37 555 511	33 047 378	-12.00%
		-	-	-	-	-	-	-	-
		134 028 466	522 988	134 551 454	-	-	134 551 454	180 663 842	34.27%
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		199 616	(24 000)	175 616	-	-	175 616	78 111	-55.52%
		-	-	-	-	-	-	-	-
Total Non-Current Assets	49.2.2	171 783 593	498 988	172 282 581	-	-	172 282 581	213 789 331	24.09%
TOTAL ASSETS		182 047 580	5 189 127	187 236 707	-	-	187 236 707	221 206 271	18.14%
LIABILITIES									
Current Liabilities									
		-	-	-	-	-	-	-	-
		1 399 434	-	1 399 434	-	-	1 399 434	103 320	-92.62%
		959 935	473 725	1 433 660	-	-	1 433 660	1 553 727	8.37%
		8 136 237	1 169 317	9 305 554	-	-	9 305 554	20 051 608	115.48%
		2 545 897	65 495	2 611 392	-	-	2 611 392	2 716 082	4.01%
Total Current Liabilities	49.2.3	13 041 503	1 708 537	14 750 040	-	-	14 750 040	24 424 736	65.59%
Non-Current Liabilities									
		-	-	-	-	-	-	-	-
		21 831 944	8 430 933	30 262 877	-	-	30 262 877	44 199 777	46.05%
Total Non-Current Liabilities	49.2.4	21 831 944	8 430 933	30 262 877	-	-	30 262 877	44 199 777	46.05%
TOTAL LIABILITIES		34 873 447	10 139 470	45 012 917	-	-	45 012 917	68 624 513	52.46%
NET ASSETS									
		146 719 073	(4 950 343)	141 768 730	-	-	141 768 730	152 125 960	7.31%
		455 060	-	455 060	-	-	455 060	455 798	0.16%
TOTAL NET ASSETS		147 174 133	(4 950 343)	142 223 790	-	-	142 223 790	152 581 758	7.28%

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by- law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2019 R	%
REVENUE									
	Property Rates	13 682 420	(1 030 230)	12 652 190	-	-	12 652 190	9 728 420	-23.11%
	Service Charges - Electricity Revenue	12 612 530	3	12 612 533	-	-	12 612 533	12 883 107	2.15%
	Service Charges - Water Revenue	8 129 195	(3)	8 129 192	-	-	8 129 192	4 840 604	-40.45%
	Service Charges - Sanitation Revenue	4 095 319	(2)	4 095 317	-	-	4 095 317	3 019 558	-26.27%
	Service Charges - Refuse Revenue	4 867 675	(1)	4 867 674	-	-	4 867 674	2 351 027	-51.70%
	Rental of Facilities and Equipment	1 517 124	-	1 517 124	-	-	1 517 124	647 616	-57.31%
	Interest Earned - External Investments	455 422	(1)	455 421	-	-	455 421	271 383	-40.41%
	Interest Earned - Outstanding Debtors	2 058 691	1 287 882	3 346 573	-	-	3 346 573	5 495 656	64.22%
	Dividends Received	-	-	-	-	-	-	-	-
	Fines	19 901	1	19 902	-	-	19 902	66 736	235.32%
	Licences and Permits	101 214	-	101 214	-	-	101 214	1 254	-98.76%
	Agency Services	401 182	-	401 182	-	-	401 182	72 319	-81.97%
	Transfers Recognised - Operational	19 071 000	1 375 000	20 446 000	-	-	20 446 000	26 872 749	31.43%
	Other Revenue	2 913 513	(101 095)	2 812 418	-	-	2 812 418	1 501 814	-46.60%
	Gains on Disposal of PPE	-	-	-	-	-	-	-	(100)
Total Revenue (excluding capital transfers and contributions)	49.2.5	69 925 186	1 531 554	71 456 740	-	-	71 456 740	67 752 243	-5.18%
EXPENDITURE									
	Employee Related Costs	26 568 805	(779 322)	25 789 483	-	-	25 789 483	26 411 907	2.41%
	Remuneration of Councillors	2 407 597	124 746	2 532 343	-	-	2 532 343	2 489 136	-1.71%
	Debt Impairment	8 980 851	-	8 980 851	-	-	8 980 851	8 967 698	-0.15%
	Depreciation and Asset Impairment	5 985 013	-	5 985 013	-	-	5 985 013	10 929 506	82.61%
	Finance Charges	1 117 860	402 319	1 520 179	-	-	1 520 179	2 812 892	85.04%
	Bulk Purchases	14 567 268	-	14 567 268	-	-	14 567 268	13 370 681	-8.21%
	Other Materials	405 271	(146 586)	258 685	-	-	258 685	987 824	281.86%
	Contracted Services	3 276 421	339 145	3 615 566	-	-	3 615 566	4 126 852	14.14%
	Transfers and Grants	-	-	-	-	-	-	-	-
	Other Expenditure	7 314 975	892 377	8 207 352	-	-	8 207 352	13 905 170	69.42%
	Loss on Disposal of PPE	-	-	-	-	-	-	837 913	100
Total Expenditure	49.2.6	70 624 061	832 679	71 456 740	-	-	71 456 740	84 839 580	18.73%
Surplus/(Deficit)		(698 875)	698 875	-	-	-	-	(17 087 338)	-100.00%
Transfers Recognised - Capital		26 587 000	(14 858 000)	11 729 000	-	-	11 729 000	-	-100.00%
Contributions Recognised - Capital		-	-	-	-	-	-	-	-
Contributed Assets		-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions		25 888 125	(14 159 125)	11 729 000	-	-	11 729 000	(17 087 338)	-245.68%
Taxation		-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation		25 888 125	(14 159 125)	11 729 000	-	-	11 729 000	(17 087 338)	-245.68%
Attributable to Minorities		-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality		25 888 125	(14 159 125)	11 729 000	-	-	11 729 000	(17 087 338)	-245.68%
Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		25 888 125	(14 159 125)	11 729 000	-	-	11 729 000	(17 087 338)	-245.68%

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget	
	R	R	R	R	R	R	2019 R	%	
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Taxation	10 945 936	(900 000)	10 045 936	-	-	10 045 936	9 124 534	-9.17%	
Service Charges	24 131 270	3 900 080	28 031 350	-	-	28 031 350	20 623 670	-26.43%	
Other Revenue	4 668 286	(1 246 920)	3 421 366	-	-	3 421 366	2 565 644	-25.01%	
Government - Operating	19 071 000	1 375 000	20 446 000	-	-	20 446 000	20 397 267	-0.24%	
Government - Capital	26 587 000	(14 858 000)	11 729 000	-	-	11 729 000	7 765 937	-33.79%	
Interest	2 127 845	(1 672 424)	455 421	-	-	455 421	271 383	-40.41%	
Dividends	-	-	-	-	-	-	-	-	
Payments									
Suppliers and Employees	(55 844 856)	(1 491 149)	(57 336 005)	-	-	(57 336 005)	(54 634 217)	-4.71%	
Finance costs	-	-	-	-	-	-	(513 944)	-100.00%	
Transfers and Grants	-	-	-	-	-	-	-	-	
Net Cash from/(used) Operating Activities	49.2.7	31 686 481	(14 893 413)	16 793 068	-	-	16 793 068	5 600 273	-66.65%
CASH FLOW FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Debtors	162 079	-	162 079	-	-	162 079	-	-100.00%	
Decrease/(Increase) in Other Non-Current Receivables	-	-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Investments	-	-	-	-	-	-	-	-	
Payments									
Capital Assets	(26 661 700)	14 686 012	(11 975 688)	-	-	(11 975 688)	(7 286 426)	-39.16%	
Net Cash from/(used) Investing Activities	49.2.8	(26 499 621)	14 686 012	(11 813 609)	-	-	(11 813 609)	(7 286 426)	-38.32%
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
Short Term Loans	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	
Increase/(Decrease) in Consumer Deposits	(65 428)	473 725	408 297	-	-	408 297	145 067	-64.47%	
Payments									
Repayment of Borrowing	(702 803)	-	(702 803)	-	-	(702 803)	(1 647 270)	134.39%	
Net Cash from/(used) Financing Activities	49.2.9	(768 231)	473 725	(294 506)	-	-	(294 506)	(1 502 204)	410.08%
NET INCREASE/(DECREASE) IN CASH HELD									
Cash and Cash Equivalents at the year begin:	4 418 629	266 324	4 684 953	-	-	4 684 953	(3 188 356)	-168.06%	
	244 957	(1)	244 956	-	-	244 956	3 319 949	1255.32%	
Cash and Cash Equivalents at the year end:	4 663 586	266 323	4 929 909	-	-	4 929 909	131 592	-97.33%	

INSERT ACCOUNTING POLICY

See word document

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**RICHTERSVELD
MUNICIPALITY**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2019

Reconciliation of Carrying Value							
	Buildings R	Land R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2018	7 047 736	16 100 856	153 522 951	5 860 774	2 179 074	420 509	185 131 900
Cost	17 924 235	16 100 856	216 189 647	12 496 801	6 302 370	5 167 299	274 181 209
Original Cost	17 924 235	16 100 856	216 189 647	12 496 801	6 302 370	5 167 299	274 181 209
Accumulated Depreciation and Impairment Losses	(10 876 499)	-	(62 666 697)	(6 636 027)	(4 123 296)	(4 746 790)	(89 049 309)
Original Cost	(10 876 499)	-	(62 666 697)	(6 636 027)	(4 123 296)	(4 746 790)	(89 049 309)
Acquisitions	-	-	6 705 546	-	-	580 880	7 286 426
Depreciation	(727 197)	-	(8 353 187)	(573 751)	(622 211)	(475 774)	(10 752 121)
Normal Depreciation	(727 197)	-	(8 353 187)	(573 751)	(622 211)	(475 774)	(10 752 121)
Carrying value of disposals / write-offs	-	-	-	-	(1 002 363)	-	(1 002 363)
Cost	-	-	-	-	(2 400 055)	-	(2 400 055)
Accumulated Depreciation	-	-	-	-	1 397 692	-	1 397 692
Carrying value at 30 June 2019	6 320 538	16 100 856	151 875 310	5 287 024	554 500	525 615	180 663 842
Cost	17 924 235	16 100 856	222 895 193	12 496 801	3 902 315	5 748 179	279 067 580
Original Cost	17 924 235	16 100 856	222 895 193	12 496 801	3 902 315	5 748 179	279 067 580
Accumulated Depreciation and Impairment Losses	(11 603 697)	-	(71 019 884)	(7 209 778)	(3 347 816)	(5 222 564)	(98 403 738)
Original Cost	(11 603 697)	-	(71 019 884)	(7 209 778)	(3 347 816)	(5 222 564)	(98 403 738)

**RICHTERSVELD
MUNICIPALITY**

2.2 30 JUNE 2018

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Reconciliation of Carrying Value							
	Buildings R	Land	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2017	7 774 141	16 100 856	124 267 449	6 434 403	3 454 387	682 620	158 713 856
Cost	17 924 235	16 100 856	179 234 834	12 496 801	6 302 370	5 017 615	237 076 711
Original Cost	17 924 235	16 100 856	179 234 834	12 496 801	6 302 370	5 017 615	237 076 711
Accumulated Depreciation and Impairment Losses	(10 150 094)	-	(54 967 385)	(6 062 398)	(2 847 983)	(4 334 995)	(78 362 855)
Original Cost	(10 150 094)	-	(54 967 385)	(6 062 398)	(2 847 983)	(4 334 995)	(78 362 855)
Acquisitions	-	-	1 400 791	-	-	149 684	1 550 476
Previously stated	-	-	1 400 791	-	-	149 684	1 550 476
Capital under Construction	-	-	24 687 724	-	-	-	24 687 724
Current Year	-	-	26 330 391	-	-	-	26 330 391
Less: Prior Year	-	-	(1 642 667)	-	-	-	(1 642 667)
Change in Provision for Rehabilitation Cost - IGRAP 2	-	-	11 276 873	-	-	-	11 276 873
Carrying value of disposals / write-offs	-	-	(411 250)	-	-	-	(411 250)
Cost	-	-	(410 575)	-	-	-	(410 575)
Accumulated Depreciation	-	-	(675)	-	-	-	(675)
Depreciation	(726 405)	-	(7 698 637)	(573 629)	(1 275 314)	(411 795)	(10 685 778)
Normal Depreciation	(726 405)	-	(7 698 637)	(573 629)	(1 275 314)	(411 795)	(10 685 778)
Carrying value at 30 June 2018	7 047 736	16 100 856	153 522 951	5 860 774	2 179 074	420 509	185 131 900
Cost	17 924 235	16 100 856	216 189 647	12 496 801	6 302 370	5 167 299	274 181 209
Original Cost	17 924 235	16 100 856	216 189 647	12 496 801	6 302 370	5 167 299	274 181 209
Accumulated Depreciation and Impairment Losses	(10 876 499)	-	(62 666 697)	(6 636 027)	(4 123 296)	(4 746 790)	(89 049 309)
Original Cost	(10 876 499)	-	(62 666 697)	(6 636 027)	(4 123 296)	(4 746 790)	(89 049 309)

		2019 R	2018 R
2.	PROPERTY, PLANT AND EQUIPMENT		
	See previous sheet		
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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	14 108 259	31 222 918
Roads	3 775 614	4 058 146
Electricity	-	6 001 279
Water Supply	4 460 073	16 287 711
Sanitation	5 872 572	4 370 782
Solid Waste	-	505 000
Community Assets	-	-
Other Assets	-	-
Total Property, Plant and Equipment under construction	14 108 259	31 222 918
The movements for the year can be reconciled as follows:		
Balance at beginning of year	31 222 918	6 536 664
Correction of Error - Note 44.1	-	(424 100)
Restated Balance	31 222 918	6 112 563
Expenditure during the year	6 705 546	26 753 021
Assets unbundled during the year	(23 820 205)	(1 642 667)
Impairment recognised during the year	-	-
Balance at end of year	14 108 259	31 222 918
2.4 Property, Plant and Equipment where construction or development has been halted:		
Infrastructure Assets	3 775 614	5 543 892
Roads	3 775 614	282 532
Electricity	-	151 960
Sanitation	-	4 604 400
Solid Waste	-	505 000
Community Assets	-	38 522
Total	3 775 614	5 582 414
The municipality awaits additional funding to complete the projects.		
2.5 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Employee related costs	-	-
Other materials	-	-
Contracted Services	872 892	1 907 171
Other Expenditure	-	-
Total Repairs and Maintenance	872 892	1 907 171
2.6 Assets pledged as security:		
Leased Property, Plant and Equipment of R554 500 (2018: R2 143 753) is secured for leases as set out in Note 9.		
2.7 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	11 666 059	6 290 813
Infrastructure	11 666 059	6 290 813
Community	-	-
Other	-	-
Total	11 666 059	6 290 813
This expenditure will be financed from:		
External Loans	-	-
Capital Replacement Reserve	-	-
Government Grants	11 666 059	6 290 813
Own Resources	-	-
District Council Grants	-	-
Total	11 666 059	6 290 813

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	37 751 089	37 841 867
Cost	38 623 962	38 623 962
Accumulated Depreciation	(868 874)	(778 097)
Accumulated Impairment Loss	(3 999)	(3 999)
Depreciation for the year	(90 778)	(90 778)
Impairment loss	(4 612 933)	-
Net Carrying amount at 30 June	33 047 378	37 751 089
Cost	38 623 962	38 623 962
Accumulated Depreciation	(958 622)	(868 874)
Accumulated Impairment Loss	(4 617 962)	(3 999)
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property	223 803	224 869
3.3 Operating Expenditure incurred on properties:		
There are no Investment Property which is in the process of being constructed or developed.		
There are no Investment Property that are taking a significantly longer period of time to complete than expected.		
There are no Investment Property where construction or development has been halted.		
There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
There are no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
4. INTANGIBLE ASSETS		
4.1 Net Carrying amount at 1 July	164 719	256 520
Cost	769 227	769 227
Accumulated Amortisation	(604 508)	(512 707)
Additions	-	-
Amortisation	(86 608)	(91 801)
Disposals	-	-
Amortisation written back on disposal	-	-
Net Carrying amount at 30 June	78 111	164 719
Cost	769 227	769 227
Accumulated Amortisation	(691 116)	(604 508)
Accumulated Impairment Loss	-	-
There are no Intangible Assets which is in the process of being constructed or developed.		
There are no Intangible Assets that is taking a significantly longer period of time to complete than expected.		
There are no Intangible Assets where construction or development has been halted.		
No intangible asset were assed having an indefinite useful life.		
There are no internally generated intangible assets at reporting date.		
There are no intangible assets whose title is restricted.		
There age no intangible assets pledged as security for liabilities.		
There are no contractual commitments for the acquisition of intangible assets.		
5. INVENTORY		
Consumables	336 009	-
Housing Stock	1	1
Materials and Supplies	210 830	546 839
Water	6 754	11 640
Total Inventory	553 594	558 480
The municipality recognised only purification costs in respect of non-purchased purified water inventory.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
5.1 Inventories recognise as an expense during the year:		
Materials and Supplies	393 605	523 058
Water	776 784	1 083 454
Total	1 170 389	1 606 512
5.2 Inventories written down due to losses as identified during the annual stores counts:		
Consumables	-	-
Materials and Supplies	-	12 815
Total	-	12 815
No inventories were pledged as security for liabilities.		
6. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	3 578 788	3 405 533
Water	13 897 931	11 872 839
Property Rentals	2 043 622	2 372 445
Waste Management	12 564 640	10 955 096
Waste Water Management	11 209 898	10 345 980
Abeysance	2 846 696	2 644 276
Other Arrears	3 780 079	3 187 078
Correction of Error - Note 44.2	-	(22 306)
Total: Receivables from exchange transactions (before provision)	49 921 653	44 760 943
Less: Provision for Debt Impairment	(47 216 102)	(41 384 077)
Total: Receivables from exchange transactions (after provision)	2 705 551	3 376 866
Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.		
The fair value of receivables approximate their carrying value.		
<u>(Electricity): Ageing</u>		
Current (0 - 30 days)	536 952	666 520
31 - 60 Days	81 515	296 203
61 - 90 Days	62 194	86 170
+ 90 Days	2 898 128	2 356 640
Total	3 578 788	3 405 533
<u>(Water): Ageing</u>		
Current (0 - 30 days)	537 426	486 551
31 - 60 Days	249 835	301 407
61 - 90 Days	230 539	278 832
+ 90 Days	12 880 132	10 806 050
Total	13 897 931	11 872 839
<u>(Property Rentals): Ageing</u>		
Current (0 - 30 days)	18 397	(36 888)
31 - 60 Days	17 417	59 118
61 - 90 Days	15 485	22 369
+ 90 Days	1 992 324	2 327 846
Total	2 043 622	2 372 445
<u>(Waste Management): Ageing</u>		
Current (0 - 30 days)	401 862	215 881
31 - 60 Days	170 624	180 125
61 - 90 Days	161 615	156 049
+ 90 Days	11 830 539	10 403 042
Total	12 564 640	10 955 096

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
<u>(Waste Water Management): Ageing</u>		
Current (0 - 30 days)	415 106	226 719
31 - 60 Days	162 884	172 021
61 - 90 Days	153 607	147 176
+ 90 Days	10 478 301	9 800 064
Total	11 209 898	10 345 980
<u>(Abeyance): Ageing</u>		
Current (0 - 30 days)	799 696	587 826
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	2 047 000	2 056 450
Total	2 846 696	2 644 276
<u>(Other): Ageing</u>		
Current (0 - 30 days)	(112 817)	26 168
31 - 60 Days	48 997	42 037
61 - 90 Days	31 814	28 631
+ 90 Days	3 812 084	3 090 242
Total	3 780 079	3 187 078
<u>(Total): Ageing</u>		
Current (0 - 30 days)	2 596 620	2 172 777
31 - 60 Days	731 271	1 050 911
61 - 90 Days	655 253	719 227
+ 90 Days	45 938 509	40 818 029
Total	49 921 653	44 760 943

Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2019					
Current (0 - 30 days)	823 800	1 392 954	276 678	103 188	2 596 620
31 - 60 Days	27 237	643 710	39 266	21 058	731 271
61 - 90 Days	27 166	578 555	33 292	16 239	655 253
+ 90 Days	2 783 132	39 139 658	2 408 432	1 607 287	45 938 509
Sub-total	3 661 335	41 754 877	2 757 668	1 747 773	49 921 653
Less: Provision for Debt Impairment					(47 216 102)
Total debtors by customer classification					2 705 551

Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2018					
Current (0 - 30 days)	998 752	795 535	316 011	62 479	2 172 777
31 - 60 Days	29 013	718 836	272 873	30 189	1 050 911
61 - 90 Days	26 898	625 046	53 393	13 890	719 227
+ 90 Days	2 384 723	35 151 964	1 992 236	1 289 106	40 818 029
Sub-total	3 439 386	37 291 381	2 634 513	1 395 664	44 760 943
Less: Provision for Debt Impairment					(41 384 077)
Total debtors by customer classification					3 376 867

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	41 384 077	38 357 237
Contribution to provision	4 834 233	2 632 035
VAT on provision	997 792	394 805
Reversal of provision	-	-
Balance at end of year	47 216 102	41 384 077

The total amount of this provision is R47 216 102 and consist of:

Electricity	2 773 282	2 983 481
Water	13 220 652	9 853 398
Refuse	12 224 721	11 051 377
Sewerage	10 882 138	9 869 437
Commonage and Old Service	8 115 309	7 626 384
Total Provision for Debt Impairment on Receivables from exchange transactions	47 216 102	41 384 077

Ageing of amounts past due but not impaired:

1 month past due	108 931	1 050 911
2+ months past due	-	153 179
	108 931	1 204 090

7. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	14 286 788	12 010 458
Availability Charges	11 105 421	8 974 501
Payments in Advance	500 000	500 000
Kai-Kai Development	25 294 065	25 294 065
Other Receivables	580	580
Correction of Error - Note 44.3	-	(178 275)
	51 186 853	46 601 329
	(49 377 191)	(45 243 726)
Total Receivables from non-exchange transactions	1 809 662	1 357 603

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

(Rates): Ageing

Current (0 - 30 days)	123 515	48 601
31 - 60 Days	79 768	98 409
61 - 90 Days	65 845	76 399
+ 90 Days	14 017 660	11 608 775
Total	14 286 788	11 832 183

Summary of Debtors (Rates) by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2019					
Current (0 - 30 days)	(3 181)	96 733	29 618	346	123 515
31 - 60 Days	-	68 170	11 598	-	79 768
61 - 90 Days	-	55 272	10 573	-	65 845
+ 90 Days	5 848 916	7 618 801	496 421	53 522	14 017 660
Sub-total	5 845 735	7 838 975	548 210	53 868	14 286 788
Less: Provision for Debt Impairment					(13 290 912)
Total debtors by customer classification					995 876

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Summary of Debtors (Rates) by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2018					
Current (0 - 30 days)	(9 412)	58 108	168	(264)	48 601
31 - 60 Days	-	87 710	10 698	-	98 409
61 - 90 Days	-	65 711	10 688	-	76 399
+ 90 Days	4 259 568	6 952 897	326 675	69 635	11 608 775
Sub-total	4 250 156	7 164 427	348 229	69 371	11 832 183
Less: Provision for Debt Impairment					(10 975 162)
Total debtors by customer classification					857 021

Reconciliation of Provision for Debt Impairment

Balance at beginning of year		45 243 726	43 620 291
Contribution to provision		4 133 465	1 623 435
Reversal of provision		-	-
Balance at end of year		49 377 191	45 243 726

The total amount of this provision is R49 377 191 and consist of:

Taxes	13 290 912	10 975 162
Availability Charges	10 792 215	8 974 501
Kai-Kai Development	25 294 064	25 294 064
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	49 377 191	45 243 726

Ageing of amounts past due but not impaired:

1 month past due	-	98 409
2+ months past due	-	710 012
	-	808 420

8. BANK ACCOUNTS

8.1 Cash and Cash Equivalents

Current Accounts	57 772	289 405
Call Deposits and Investments	73 463	3 030 163
Cash On-hand	380	380
Total Cash and Cash Equivalents - Assets	131 615	3 319 949

8.2 Liabilities

Current Accounts	-	-
Total Cash and Cash Equivalents - Liabilities	-	-

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Call Investments Deposits to an amount of R7 031 are held to fund the Unspent Conditional Grants (2018: R2 300 679).

The municipality has the following bank accounts:

Current Accounts

First National Bank - Account Number 534 7183 1653 (Primary Bank Account):	57 772	289 405
	57 772	289 405

Call Deposits and Investments

First National Bank - Account Number 620 6266 9521 (Equitable Share Account):	2 306	1 500
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):	31 858	1 000
First National Bank - Account Number 620 7204 0555 (FMG Account):	1 000	1 000
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):	2 861	2 846
First National Bank - Account Number 620 9751 7571 (CRR Account):	865	63 608
First National Bank - Account Number 621 1760 8581 (Dev. Housing Account):	10 105	10 105
First National Bank - Account Number 743 3049 9861 (EFT/DBSA Account):	7 530	7 530
First National Bank - Account Number 621 3757 8433 (Projects Account):	10 907	1 000
First National Bank - Account Number 621 3757 7782 (Grants and Subsidies Account):	1 601	1
First National Bank - Account Number 622 3714 1099 (Library Account):	1 001	2 160
First National Bank - Account Number 622 7711 8313 (MIG Account):	2 607	2 938 414
First National Bank - Account Number 624 2665 8508 (EPWP):	821	1 000
	73 463	3 030 163

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Details of current accounts is as follow:

	2019 R	2018 R
First National Bank - Account Number 534 7183 1653 (Primary Bank Account):		
Cash book balance at beginning of year	289 405	537 432
Cash book balance at end of year	57 772	289 405
Bank statement balance at beginning of year	261 597	456 116
Bank statement balance at end of year	266 575	261 597
First National Bank - Account Number 620 6266 9521 (Equitable Share Account):		
Cash book balance at beginning of year	1 500	1 000
Cash book balance at end of year	2 306	1 500
Bank statement balance at beginning of year	1 500	1 000
Bank statement balance at end of year	2 328	1 500
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):		
Cash book balance at beginning of year	1 000	40 065
Cash book balance at end of year	31 858	1 000
Bank statement balance at beginning of year	1 000	40 065
Bank statement balance at end of year	31 858	1 000
First National Bank - Account Number 620 7204 0555 (FMG Account):		
Cash book balance at beginning of year	1 000	1 000
Cash book balance at end of year	1 000	1 000
Bank statement balance at beginning of year	1 000	1 000
Bank statement balance at end of year	1 000	1 000
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):		
Cash book balance at beginning of year	2 846	2 826
Cash book balance at end of year	2 861	2 846
Bank statement balance at beginning of year	2 846	2 826
Bank statement balance at end of year	2 864	2 846
First National Bank - Account Number 620 9751 7571 (CRR Account):		
Cash book balance at beginning of year	63 608	739
Cash book balance at end of year	865	63 608
Bank statement balance at beginning of year	63 608	739
Bank statement balance at end of year	1 000	63 608
First National Bank - Account Number 621 1760 8581 (Dev. Housing Account):		
Cash book balance at beginning of year	10 105	10 032
Cash book balance at end of year	10 105	10 105
Bank statement balance at beginning of year	10 105	10 032
Bank statement balance at end of year	10 170	10 105
First National Bank - Account Number 743 3049 9861 (EFT/DBSA Account):		
Cash book balance at beginning of year	7 530	7 530
Cash book balance at end of year	7 530	7 530
Bank statement balance at beginning of year	7 530	7 530
Bank statement balance at end of year	7 530	7 530
First National Bank - Account Number 621 3757 8433 (Projects Account):		
Cash book balance at beginning of year	1 000	8 009
Cash book balance at end of year	10 907	1 000
Bank statement balance at beginning of year	1 000	8 009
Bank statement balance at end of year	10 914	1 000
First National Bank - Account Number 621 3757 7782 (Grants and Subsidies Account):		
Cash book balance at beginning of year	1	(0)
Cash book balance at end of year	1 601	1
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	1 601	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R			
First National Bank - Account Number 622 3714 1099 (Library Account):					
Cash book balance at beginning of year	2 160	1 155			
Cash book balance at end of year	1 001	2 160			
Bank statement balance at beginning of year	2 160	1 155			
Bank statement balance at end of year	1 619	2 160			
First National Bank - Account Number 622 7711 8313 (MIG Account):					
Cash book balance at beginning of year	2 938 414	1 000			
Cash book balance at end of year	2 607	2 938 414			
Bank statement balance at beginning of year	2 938 414	1 000			
Bank statement balance at end of year	2 607	2 938 414			
First National Bank - Account Number 624 2665 8508 (EPWP):					
Cash book balance at beginning of year	1 000	1 000			
Cash book balance at end of year	821	1 000			
Bank statement balance at beginning of year	1 000	1 000			
Bank statement balance at end of year	1 000	1 000			
LONG-TERM BORROWINGS					
Capitalised Lease Liability - At amortised cost	103 320	2 102 237			
Correction of Error - Note 44.4	-	(351 647)			
	103 320	1 750 590			
Less: Current Portion transferred to Current Liabilities	(103 320)	(1 554 830)			
Capitalised Lease Liability - At amortised cost	(103 320)	(1 554 830)			
	0	195 760			
Total Long-term Borrowings	0	195 760			
The obligations under finance leases are scheduled below:		Minimum payments			
Amounts payable under finance leases:					
Payable within one year	103 320	1 699 878			
Payable within two to five years	-	585 267			
Payable after five years	-	-			
	103 320	2 285 145			
Less: Future finance obligations	-	(182 908)			
Present value of finance lease obligations	103 320	2 102 237			
The capitalised lease liability consist out of the following contracts:					
Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Bidvest	Vehicles	8% - 14%	0%	3 Years	01/07/2019
Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.					
Finance Leases are secured by property, plant and equipment - Note 2.					
NON-CURRENT PROVISIONS					
Provision for Rehabilitation of Landfill-sites	41 071 580	27 396 696			
Correction of Error - Note 44.5	-	9 646 307			
Total Non-current Provisions	41 071 580	37 043 003			
Landfill Sites					
Balance 1 July	39 037 715	16 779 072			
Contribution for the year	2 033 865	1 335 463			
Change in Provision for Rehabilitation Cost	-	11 276 873			
Correction of Error - Note 44.5	-	9 646 307			
Total provision 30 June	41 071 580	39 037 715			
Less: Transfer of Current Portion to Current Provisions	-	(1 994 712)			
Balance 30 June	41 071 580	37 043 003			

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows

	Port Nolloth	Eksteensfontein	Lekkersing	Kuboos	Sanddrift
Rehabilitation Area (m ²)	50 178	10 156	1 840	440	4 515
Preliminary and general	2 337 999	591 530	215 273	52 108	324 525
Site Clearance and Preparation	154 548	31 280	5 667	1 355	13 906
Storm Water Control Measures	2 477 671	820 185	378 288	167 011	431 851
Capping	12 613 561	2 562 418	535 403	114 238	1 140 738
Gas Management	-	-	-	-	-
Leachate Management	804 070	319 621	145 537	79 264	162 339
Fencing	650 140	491 713	472 770	10 333	569 204
Environmental Authorisation (Closure License)	438 691	438 691	438 691	438 691	438 691
Technical ROD	120 000	120 000	120 000	120 000	120 000
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor site establishment)	214 475	248 302	414 178	303 896	270 292
Landscape Architects	123 111	123 111	123 111	123 111	123 111
Water use licence	-	-	-	-	-
Topographical Survey	8 346	5 830	5 830	5 830	5 830
Contingencies	1 903 799	481 675	175 294	42 430	264 256
Engineering: Professional Fees	1 570 634	397 382	144 617	35 005	218 012
Site Supervision (Engineer's Representative)	590 650	219 259	172 540	174 634	213 407
Site Supervision (Environmental Control Officer & OHS Agent)	312 469	145 877	132 180	134 700	176 389

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. The estimate cost, based on a current inflation rate of 5,21%, and date of decommission of the sites are as follows:

	Estimated decommission date	2019 R	2018 R
Port Nolloth	2033	49 518 192	34 151 328
Eksteensfontein	2033	14 246 309	5 092 464
Lekkersing	2033	7 084 355	2 369 010
Kuboos	2033	3 670 284	1 994 712
Sanddrift	2033	9 106 547	7 132 078
		83 625 686	50 739 593

11. NON-CURRENT EMPLOYEE BENEFITS

Provision for Post Retirement Health Care Benefits	1 904 370	1 737 026
Provision for Long Service Awards	1 223 828	1 148 810
Total Non-current Employee Benefits	3 128 198	2 885 836

Post Retirement Health Care Benefits

Balance 1 July	1 928 449	1 964 289
Contribution for the year	164 581	164 714
Expenditure for the year	(191 890)	(183 390)
Actuarial Loss/(Gain)	208 187	(17 164)

Total provision 30 June **2 109 327** **1 928 449**

Less: Transfer of Current Portion to Current Provisions - Note 14 (204 957) (191 423)

Balance 30 June **1 904 370** **1 737 026**

Long Service Awards

Balance 1 July	1 225 569	1 061 146
Contribution for the year	232 817	203 854
Expenditure for the year	(79 577)	(65 413)
Actuarial Loss/(Gain)	86 755	25 982

Total provision 30 June **1 465 564** **1 225 569**

Less: Transfer of Current Portion to Current Provisions - Note 14 (241 736) (76 759)

Balance 30 June **1 223 828** **1 148 810**

11.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	-	-
In-service (employee) non-members	-	-
Continuation members (e.g. Retirees, widows, orphans)	4	4
Total Members	4	4

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	-	-
In-service non-members	-	-
Continuation members	2 109 328	1 928 450
Total Liability	2 109 328	1 928 450

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2017 R	2016 R	2015 R
In-service members	-	-	-
In-service non-members	-	-	-
Continuation members	1 964 289	1 770 943	1 746 642
Total Liability	1 964 289	1 770 943	1 746 642

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

LA Health

The Current-service Cost for the ensuing year is estimated to be R169955, whereas the Interest Cost for the next year is estimated to be R0.

	2019 %	2018 %
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	8.46%	8.97%
Health Care Cost Inflation Rate	6.14%	7.02%
Net Effective Discount Rate	2.19%	1.82%

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 65 years (males) and 60 years (females).

iv) Expected rate of salary increases

2019/2020 - CPI + 1,5%
2020/2021 - CPI + 1,25%

The three-year Salary and Wage Collective Agreement ends on 30 June 2020.

	2019 R	2018 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2 109 327	1 928 449
Fair value of plan assets	-	-
	2 109 327	1 928 449
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	2 109 327	1 928 449

Reconciliation of present value of fund obligation:

	2019 R	2018 R
Present value of fund obligation at the beginning of the year	1 928 449	1 964 289
Total expenses	(27 309)	(18 676)
Current service cost	-	-
Interest Cost	164 581	164 714
Benefits Paid	(191 890)	(183 390)
Actuarial (gains)/losses	208 187	(17 164)
Present value of fund obligation at the end of the year	2 109 327	1 928 449

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	-	-

Sensitivity Analysis on the Accrued Liability on 30 June 2019

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Assumption			
Central Assumptions	-	2.109	2.109

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption					
Health care inflation rate	1%	-	2.289	2.289	9%
Health care inflation rate	-1%	-	1.951	1.951	-8%
Discount rate	1%	-	1.956	1.956	-7%
Discount rate	-1%	-	2.286	2.286	8%
Post-employment mortality	-1 year	-	2.199	2.199	4%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2020

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	-	170 000	170 000

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation rate	1%	-	185 100	185 100	9%
Health care inflation rate	-1%	-	156 600	156 600	-8%
Discount rate	1%	-	175 500	175 500	3%
Discount rate	-1%	-	163 100	163 100	-4%
Post-employment mortality	-1 year	-	177 600	177 600	4%

	2019 Rm	2018 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	0.083	(0.017)
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2017 Rm	2016 Rm	2015 Rm
Liabilities: (Gain) / loss	0.387	0.057	0.834
Assets: Gain / (loss)	-	-	-
		2019 R	2018 R

11.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 103 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R149 468 whereas the Interest Cost for the next year is estimated to be R108 841.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Key actuarial assumptions used:	2019 %	2018 %
i) Rate of interest		
Discount rate	8.08%	8.46%
General Salary Inflation (long-term)	5.53%	6.09%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.42%	2.23%

	2019 R	2018 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	1 465 564	1 225 569
Fair value of plan assets	-	-
	<u>1 465 564</u>	<u>1 225 569</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	<u>1 465 564</u>	<u>1 225 569</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	1 225 569	1 061 146
Total expenses	153 240	138 441
Current service cost	132 315	117 624
Vested past service cost	-	-
Interest Cost	100 502	86 230
Benefits Paid	(79 577)	(65 413)
Actuarial (gains)/losses	86 755	25 982
Present value of fund obligation at the end of the year	<u>1 465 564</u>	<u>1 225 569</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

Sensitivity Analysis on the Accrued Liability on 30 June 2019

Assumption	Change	Liability (Rm)	% change
Central assumptions		1.466	
General earnings inflation rate	1%	1.552	6%
General earnings inflation rate	-1%	1.387	-5%
Discount rate	1%	1.385	-6%
Discount rate	-1%	1.556	6%
Average retirement age	-2 yrs	1.320	-10%
Average retirement age	2 yrs	1.612	10%
Withdrawal rates	-50%	1.657	13%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2020

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	149 500	108 800	258 300

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
General earnings inflation rate	1%	161 600	115 800	277 400	7%
General earnings inflation rate	-1%	138 600	102 500	241 100	-7%
Discount rate	1%	139 700	115 000	254 700	-1%
Discount rate	-1%	160 600	101 800	262 400	2%
Average retirement age	-2 year	137 000	97 100	234 100	-9%
Average retirement age	2 year	163 600	120 600	284 200	10%
Withdrawal rates	-50%	180 600	124 300	304 900	18%

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 Rm	2018 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	0.036	0.040
Assets: Gain / (loss)		-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2017 Rm	2016 Rm	2015 Rm
Liabilities: (Gain) / loss	(0.166)	0.047	(0.079)
Assets: Gain / (loss)	-	-	-

11.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CAPE JOINT RETIREMENT FUND

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2017 revealed that the fund is in a sound financial position with a funding level of 100,3% (30 June 2016 - 100,5%).

Contributions paid recognised in the Statement of Financial Performance	1 163 699	1 013 026
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DEFINED CONTRIBUTION FUNDS

Council contribute to the SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

SAMWU National Provident Fund	1 503 376	1 506 131
	1 503 376	1 506 131

12. CONSUMER DEPOSITS

Electricity	985 879	953 079
Rental Properties	125 894	55 239
Posters	3 934	3 534
Refuse	438 020	396 808
Total Consumer Deposits	1 553 727	1 408 660

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

13. PROVISIONS

Current Portion of Rehabilitation of Landfill Sites - Note 10	-	1 994 712
Total Provisions	-	1 994 712

The movement in current provisions are reconciled as follows:

13.1 Rehabilitation of Landfill Sites

Balance at beginning of year	1 994 712	-
Transfer to/from non-current	(1 994 712)	1 994 712
Contribution to provision	-	-
Expenditure incurred	-	-
Balance at end of year	-	1 994 712

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
14. CURRENT EMPLOYEE BENEFITS		
Staff Bonuses	624 037	628 482
Staff Leave	1 645 353	1 643 011
Current Portion of Non-Current Provisions	446 693	268 182
Current Portion of Post Retirement Benefits - Note 11	204 957	191 423
Current Portion of Long-Service Provisions - Note 11	241 736	76 759
Total Provisions	2 716 082	2 539 674
The movement in current provisions are reconciled as follows:		
14.1 Staff Bonuses		
Balance at beginning of year	628 482	581 929
Contribution for the year	1 436 468	1 382 358
Expenditure incurred	(1 440 913)	(1 335 806)
Balance at end of year	624 037	628 482
Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.		
14.2 Staff Leave		
Balance at beginning of year	1 643 011	1 474 302
Contribution for the year	210 234	307 528
Expenditure incurred	(207 892)	(138 819)
Balance at end of year	1 645 353	1 643 011
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.		
15. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	14 427 090	13 824 800
Advance Payments	804 833	874 078
Control, Clearing and Interface Accounts	331 393	43 369
Other Payables	292 444	202 231
Retentions	150 535	790 855
Correction of Error - Note 44.6	-	(625 630)
Total Trade Payables	16 006 295	15 109 702
Payables are being recognised net of any discounts.		
Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.		
The carrying value of trade and other payables approximates its fair value.		
All payables are unsecured.		
Sundry deposits include Hall, Builders and Housing Deposits.		
16. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	4 045 313	2 300 679
National Government Grants	3 804 049	2 243 758
Provincial Government Grants	184 504	162
Other Sources	56 759	56 759
Total Unspent Transfers and Subsidies	4 045 313	2 300 679
See appendix "E" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.		
Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.		
17. TAXES		
VAT Payable	(392 348)	1 160 101
VAT Output in Suspense	(6 463 363)	(3 536 179)
Less: Contribution to Provision for Doubtful Debt Impairment	-	-
Total VAT Payable	(6 855 711)	(2 376 077)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

		2019 R	2018 R
17.2	VAT Receivable	2 549 798	0
	VAT Input in Suspense	6 522 431	5 417 401
	Total VAT Receivable	9 072 229	5 417 401
17.3	Net VAT (Payable)/Receivable	2 216 518	3 041 324
	VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.		
18.	NET ASSET RESERVES		
	RESERVES	455 798	455 798
	Capital Replacement Reserve	739	739
	Housing Development Fund	455 059	455 059
	Total Net Asset Reserve and Liabilities	455 798	455 798
18.1	The Capital Replacement Reserve is used to finance future capital expenditure from own funds.		
18.2	The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the Housing Development Fund.		
19.	PROPERTY RATES		
	<u>Actual</u>		
	Rateable Land and Buildings	9 728 420	9 888 886
	Correction of Error - Note 44.3	-	(178 275)
	Total Property Rates	9 728 420	9 710 611
	<u>Valuations - 1 July 2018</u>		
	Rateable Land and Buildings	1 016 384 267	1 016 384 267
	Business and Commercial Property	102 251 300	102 251 300
	Industrial Property	4 623 200	4 623 200
	Mining Properties	62 816 000	62 816 000
	Residential Properties	637 064 657	637 064 657
	State-owned Properties	19 011 900	19 011 900
	Agricultural Property	190 617 210	190 617 210
	Total Assessment Rates	1 016 384 267	1 016 384 267
	Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.		
	Basic Rate		
	Residential	1.1105c/R	1.0546c/R
	Commercial and Industrial	1.4740c/R	1.2272c/R
	Agriculture	0.1712c/R	0.1626c/R

Rates are levied annually and monthly. Monthly rates are payable by the 7th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential -	- The first R25 000 on the valuation is exempted.
Indigents -	- The first R75 000 on the valuation is exempted.
Pensioners -	- 33,3%
Government -	- 20%

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
20. GOVERNMENT GRANTS AND SUBSIDIES		
Government Grants and Subsidies - Operating	20 166 070	18 411 940
Equitable Share	15 473 000	14 115 000
Expanded Public Works Programme Integrated Grant	1 000 000	1 000 000
Local Government Financial Management Grant	1 923 146	1 900 000
Libraries, Archives and Museums	743 658	1 112 000
Construction, Education and Training SETA	53 767	-
Economic Development and Tourism	800 000	-
Mineral Resources	172 500	-
Other	-	284 940
Government Grants and Subsidies - Capital	6 252 499	33 335 242
Integrated National Electrification Programme Grant	242 805	6 886 945
Municipal Infrastructure Grant	1 009 694	250 000
Water Services Infrastructure Grant	5 000 000	6 000 000
Municipal Disaster Grant	-	20 198 297
Total Government Grants and Subsidies	26 418 569	51 747 182
Included in above are the following grants and subsidies received:		
Unconditional	15 473 000	14 115 000
Equitable Share	15 473 000	14 115 000
Conditional	10 945 569	37 632 182
Local Government Financial Management Grant	1 923 146	1 900 000
Expanded Public Works Programme Integrated Grant	1 000 000	1 000 000
Libraries, Archives and Museums	743 658	1 112 000
Economic Development and Tourism	800 000	-
Mineral Resources	172 500	-
Construction, Education and Training SETA	53 767	-
Integrated National Electrification Programme Grant	242 805	6 886 945
Municipal Infrastructure Grant	1 009 694	534 940
Municipal Disaster Grant	-	20 198 297
Water Services Infrastructure Grant	5 000 000	6 000 000
Total Government Grants and Subsidies	26 418 569	51 747 182
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	15 473 000	14 115 000
Executive and council	49 231	-
Finance and Administration	3 727 682	2 900 000
Community and Social Services	743 658	1 112 000
Road Transport	1 009 694	284 940
Energy Sources	415 305	6 886 945
Water Management	5 000 000	6 000 000
Waste Water Management	-	20 448 297
Total Government Grants and Subsidies	26 418 569	51 747 182
Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.		
20.1 Equitable Share		
Opening balance	-	-
Correction of Error	-	-
Grants received	15 473 000	14 115 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(15 473 000)	(14 115 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
20.2 Local Government Financial Management Grant (FMG)		
Opening balance	-	-
Correction of Error	-	-
Grants received	1 970 000	1 900 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 923 146)	(1 900 000)
Conditions met - Capital	-	-
Conditions still to be met	46 854	-
The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
20.3 Municipal Infrastructure Grant (MIG)		
Opening balance	2 130 703	-
Correction of Error	-	-
Grants received	2 429 000	7 382 000
Interest received	-	-
Repaid to National Revenue Fund	(3 550 009)	-
Conditions met - Operating	-	-
Conditions met - Capital	(1 009 694)	(5 251 297)
Conditions still to be met	-	2 130 703
The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		
20.4 Integrated National Electrification Grant		
Opening balance	113 055	-
Correction of Error	-	-
Grants received	4 000 000	7 000 000
Interest received	-	-
Repaid to National Revenue Fund	(113 055)	-
Conditions met - Operating	-	-
Conditions met - Capital	(242 805)	(6 886 945)
Conditions still to be met	3 757 195	113 055
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
20.5 Municipal Disaster Grant		
Opening balance	-	-
Correction of Error	-	-
Grants received	-	15 197 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	(15 197 000)
Conditions still to be met	-	-
The Housing grant was utilised for the development of erven and the erection of top structures.		
20.6 Library Grant		
Opening balance	162	1 162
Correction of Error	-	-
Grants received	928 000	1 111 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(743 658)	(1 112 000)
Conditions met - Capital	-	-
Conditions still to be met	184 504	162
The grant was used to finance library activities.		
20.7 Expanded Public Works Programme		
Opening balance	-	-
Correction of Error	-	-
Grants received	1 000 000	1 000 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 000 000)	(1 000 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The grant was used for job creation.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
20.8 ALEXKOR		
Opening balance	56 759	56 759
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>56 759</u>	<u>56 759</u>
The grant was used for various projects.		
20.9 Water Services Infrastructure Grant		
Opening balance	-	-
Correction of Error	-	-
Grants received	5 000 000	6 000 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(5 000 000)	(6 000 000)
Conditions still to be met	<u>-</u>	<u>-</u>
The grant was used to construct water infrastructure.		
20.10 Seta		
Opening balance	-	-
Correction of Error	-	-
Grants received	53 767	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(53 767)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
The grant was used for attending of trainings accredited by LGSETA		
20.11 Department of Economic Development and Tourism		
Opening balance	-	-
Correction of Error	-	-
Grants received	800 000	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(800 000)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
The grant was used for the festival in Port Nolloth.		
20.12 Department of Mineral Resources		
Opening balance	-	-
Correction of Error	-	-
Grants received	172 500	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(172 500)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
The grant was used for the festival in Port Nolloth.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
20.13 Total Grants		
Opening balance	2 300 679	57 921
Correction of Error	-	-
Grants received	31 826 267	53 705 000
Interest received	-	-
Repaid to National Revenue Fund	(3 663 063)	-
Conditions met - Operating	(20 166 070)	(18 127 000)
Conditions met - Capital	(6 252 499)	(33 335 242)
Conditions still to be met/(Grant expenditure to be recovered)	<u>4 045 313</u>	<u>2 300 679</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	4 045 313	2 300 679
Unpaid Conditional Government Grants and Receipts	-	-
Total	<u>4 045 313</u>	<u>2 300 679</u>
21. PUBLIC CONTRIBUTIONS AND DONATIONS		
Donations	454 180	942 700
Total Public Contributions and Donations	<u>454 180</u>	<u>942 700</u>
22. AVAILABILITY CHARGES		
Electricity	692 645	527 334
Water	1 213 141	1 163 308
Waste Management	386 175	366 045
Waste Water Management	914 018	913 075
Total Availability Charges	<u>3 205 979</u>	<u>2 969 762</u>
23. LICENCES AND PERMITS		
Trading	582	628
Road and Transport	672	6 018
Total Licences and Permits	<u>1 254</u>	<u>6 646</u>
<u>Disclosed as follows:</u>		
Revenue from Non-Exchange Transactions	-	-
Revenue from Exchange Transactions	1 254	6 646
Total Licences and Permits	<u>1 254</u>	<u>6 646</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

24. SERVICE CHARGES

Electricity

12 190 462

10 520 408

Service Charges

15 901 155

14 620 741

Less: Revenue Forgone

(3 710 694)

(4 100 334)

Water

3 627 463

4 493 263

Service Charges

4 143 467

5 058 719

Less: Revenue Forgone

(516 003)

(565 455)

Waste Management

1 964 852

2 006 291

Service Charges

2 039 429

2 097 399

Less: Revenue Forgone

(74 578)

(91 108)

Waste Water Management

2 105 539

2 168 271

Service Charges

2 275 704

2 384 085

Less: Revenue Forgone

(170 165)

(215 814)

Correction of Error - Note 44.2

19 888 316

19 188 233

-

(22 306)

Total Service Charges

19 888 316

19 165 927

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

25. SALES OF GOODS AND RENDERING OF SERVICES

Advertisements

17 580

18 360

Building Plan Approval

-

16 628

Building Plan Clause Levy

126 585

96 313

Camping Fees

1 105 793

1 640 869

Cemetery and Burial

7 616

6 043

Entrance Fees

10 712

6 379

Management Fees

38 303

38 700

Photocopies and Faxes

4 779

5 698

Sale of Goods

-

16 769

Tender Documents

36 381

103 852

Streets/Street Markets (Informal Traders)

-

81 649

Total Sales of Goods and Rendering of Services

1 347 749

2 031 261

26. RENT ON LAND

Land

91 641

236 002

Grazing Fees

91 641

236 002

Prospecting, Mining and Royalties

-

7 096

Royalties

-

7 096

Servitudes

285 197

115 432

Total Rent on Land

376 838

358 530

27. RENTAL FROM FIXED ASSETS

Investment Property

223 803

200

Property, Plant and Equipment

46 975

268 160

Total Rental from Fixed Assets

270 778

268 360

28. INTEREST EARNED - EXTERNAL INVESTMENTS

Bank

271 383

441 939

Total Interest Earned - External Investments

271 383

441 939

29. INTEREST EARNED - EXCHANGE TRANSACTIONS

Trade Receivables

3 823 212

2 026 834

Total Interest Earned - Outstanding Receivables

3 823 212

2 026 834

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
30. OPERATIONAL REVENUE		
Commission	22 769	16 321
Incidental Cash Surpluses	(1 514)	2 950
Insurance Refund	99 932	-
Request for Information	32 878	55 016
Staff Recoveries	-	113
Total Operational Revenue	154 064	74 400
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	154 064	74 400
Revenue from Non-Exchange Transactions	-	-
Total Operational Revenue	154 064	74 400
31. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	19 198 367	18 160 552
Pension and UIF Contributions	2 849 003	2 691 241
Medical Aid Contributions	624 655	615 559
Overtime	747 670	746 810
Bonuses	1 436 468	1 382 358
Motor Vehicle Allowance	237 498	370 337
Cell Phone Allowance	35 542	46 655
Housing Allowances	554 112	751 495
Other benefits and allowances	386 044	246 386
Payments in lieu of leave	210 234	307 528
Post-retirement Benefit Obligations	132 315	117 624
Long Service Awards - Note 11.2	132 315	117 624
Less: Employee Costs allocated elsewhere	26 411 907	25 436 546
Cost Capitalised to PPE	-	-
Cost allocated to Inventory	-	-
Total Employee Related Costs	26 411 907	25 436 546
KEY MANAGEMENT PERSONNEL		
Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager - D Maposa (acting)</i>		
Basic Salaries and Wages	-	162 284
Cell Phone Allowance	-	2 500
Services In-kind	-	284 940
Total	-	449 724
<i>Remuneration of the Chief Financial Officer - ME Basson</i>		
Basic Salaries and Wages	401 746	483 677
Contributions to UIF, Medical and Pension Funds	9 148	1 884
Annual Bonus	40 840	46 674
Motor Vehicle Allowance	66 000	72 000
Cell Phone Allowance	16 500	18 000
Other benefits and allowances	198 277	173 810
Payments in lieu of leave	3 361	-
Total	735 872	796 045
<i>Remuneration of the Chief Financial Officer - HA Raymond (Acting)</i>		
Acting Allowance	61 654	-
Total	61 654	-
<i>Remuneration of the Chief Financial Officer - L Young (Acting)</i>		
Acting Allowance	7 174	-
Total	7 174	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
Remuneration of Director : Corporate Services - EE Cloete		
Basic Salaries and Wages	61 941	366 829
Contributions to UIF, Medical and Pension Funds	23 974	77 880
Annual Bonus	21 250	21 250
Motor Vehicle Allowance	20 647	92 726
Cell Phone Allowance	1 751	7 864
Housing Allowances	9 352	42 000
Other benefits and allowances	39 479	88 650
Payments in lieu of leave	37 832	-
Total	216 226	697 199
Remuneration of Director : Corporate Services - LS Cloete (Acting)		
Acting Allowance	27 020	-
Total	27 020	-
Remuneration of Director : Corporate Services - AA Talies (Acting)		
Acting Allowance	31 999	-
Total	31 999	-
Remuneration of Director : Infrastructure Manager - JX Komanisi		
Basic Salaries and Wages	421 764	430 396
Contributions to UIF, Medical and Pension Funds	9 837	1 884
Annual Bonus	54 177	35 006
Motor Vehicle Allowance	110 000	120 000
Cell Phone Allowance	11 000	12 000
Housing Allowances	23 104	25 204
Other benefits and allowances	116 655	106 606
Payments in lieu of leave	58 894	-
Total	805 431	731 096
Remuneration of Director : Strategic Planning Manager - SC Adams		
Basic Salaries and Wages	318 673	445 551
Acting Allowance	61 284	-
Contributions to UIF, Medical and Pension Funds	131 468	128 517
Motor Vehicle Allowance	47 184	47 184
Cell Phone Allowance	6 291	6 291
Housing Allowances	42 000	42 000
Other benefits and allowances	194 509	86 228
Annual Bonus	12 622	25 243
Total	814 031	781 014

32. REMUNERATION OF COUNCILLORS

AM Jansen	800 958	786 053
G Beukes	281 363	276 646
WJP Links	281 363	276 646
R Jonker	281 363	276 646
S Isaaks	281 363	276 646
A Bock	281 363	276 646
CJ Stuurman	281 363	276 646
Total Councillors' Remuneration	2 489 136	2 445 929

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	570 119	190 040	40 800	-	800 958
Councillors	1 082 534	360 845	244 800	-	1 688 178
Total Councillors' Remuneration	1 652 652	550 884	285 600	-	2 489 136

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
33. CONTRACTED SERVICES		
Outsourced Services	107 184	40 520
Transport Services	107 184	40 520
Consultants and Professional Services	2 421 431	4 608 665
Business and Advisory	2 309 953	2 875 127
Business and Financial Management	2 035 855	2 676 035
Medical Examinations	2 312	5 084
Occupational Health and Safety	952	731
Valuer and Assessors	270 835	193 276
Laboratory Services	45 038	39 417
Water	45 038	39 417
Legal Cost	66 440	1 694 122
Legal Advice and Litigation	-	1 540 088
Collection	66 440	154 034
Contractors	1 598 237	2 409 896
Artists and Performers	459 608	93 173
Catering Services	3 522	122 983
Event Promoters	42 974	62 200
Maintenance of Buildings and Facilities	4 093	2 209
Maintenance of Equipment	674 965	1 460 335
Maintenance of Unspecified Assets	193 835	488 497
Tracing Agents and Debt Collectors	6 210	8 223
Safeguard and Security	163 225	70 018
Stage and Sound Crew	49 807	102 259
Total Contracted Services	4 126 852	7 059 081
34. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	10 752 121	10 685 778
Intangible Assets	86 608	91 801
Investment Property carried at cost	90 778	90 778
Total Depreciation and Amortisation	10 929 506	10 868 357
35. FINANCE COSTS		
Long-term Borrowings	106 932	299 007
Non-current Provisions	2 033 865	1 335 463
Non-current Employee Benefits	265 083	250 944
Payables	407 012	30 060
Total Finance Costs	2 812 892	1 915 474
36. BULK PURCHASES		
Electricity	13 370 681	12 957 136
Total Bulk Purchases	13 370 681	12 957 136
37. OPERATIONAL COSTS		
Advertising, Publicity and Marketing	43 165	153 241
Assets less than the Capitalisation Threshold	5 980	11 218
Audit Fees	2 167 708	919 661
Bank Charges, Facility and Card Fees	97 273	87 073
Commission	268 637	268 091
Courier and Delivery Services	41 393	30 164
Communication	496 853	508 788
Eskom Connection Fees	25 437	-
Entertainment	230 682	509 746
External Computer Service	943 936	692 784
Insurance Underwriting	979 605	925 227
Licences	119 725	80 074
Printing, Publications and Books	164 559	168 010
Professional Bodies, Membership and Subscription	534 130	551 043
Registration Fees	3 500	-
Remuneration to Ward Committees	197 500	203 000
Skills Development Fund Levy	384 316	238 054
Travel and Subsistence	606 243	844 999
Uniform and Protective Clothing	73 651	24 507
Wet Fuel	1 141 379	1 135 678
Correction of Error - Note 44.6	-	2 454
Total Operational Costs	8 525 671	7 353 811

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
38. REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions - Note 6	4 834 233	2 632 035
Receivables from Non-exchange Revenue - Note 7	4 133 465	1 623 435
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	8 967 698	4 255 470
39. GAINS/(LOSS) ON SALE OF FIXED ASSETS		
Property, Plant and Equipment	(837 913)	1 522 602
Correction of Error - Note 44.8		(636 521)
Total Gains/ (Loss) on Sale of Fixed Assets	(837 913)	886 081
40. REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON FIXED ASSETS		
Investment Property	(4 612 933)	-
Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets	(4 612 933)	-
41. PROFIT/ (LOSS) ON FAIR VALUE ADJUSTMENTS		
Investment Property carried at fair value	-	-
Biological Assets carried at fair value	-	-
Other Financial Assets	-	1 364 940
Other Financial Liabilities	-	-
Total Profit/ (Loss) on Fair Value Adjustments	-	1 364 940
42. WATER LOSSES		
Apparent Losses	-	-
Real Losses	182 564	142 076
Data Transfer and Management Errors	-	-
Unavoidable Annual Real Losses	-	-
Total Water Losses	182 564	142 076
43. RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS AS A RESULT OF THE IMPLEMENTATION OF mSCOA		

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has realigned items in the financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the financial statements. New mSCOA Charts are issued annually, resulting into an annual reclassification of items in the financial statements. The reclassification of 2018 audited amounts can be summarised as follows:

	Balance previously reported	Adjustments	Restated Balance
Statement of Financial Position			
Capital Replacement Reserve	739	-	739
Housing Development Fund	455 059	-	455 059
Accumulated Surplus/(Deficit)	178 719 405	-	178 719 405
Long-term Borrowings	547 407	-	547 407
Non-current Provisions	27 396 696	-	27 396 696
Non-current Employee Benefits	2 885 836	-	2 885 836
Consumer Deposits	1 408 660	-	1 408 660
Provisions	1 994 712	-	1 994 712
Current Employee Benefits	2 539 674	-	2 539 674
Trade and Other Payables from Exchange Transactions	15 735 333	-	15 735 333
Unspent Transfers and Subsidies	2 300 679	-	2 300 679
Current Portion of Long-term Borrowings	1 554 830	-	1 554 830
Property, Plant and Equipment	185 768 421	-	185 768 421
Investment Property	37 751 089	-	37 751 089
Intangible Assets	164 719	-	164 719
Inventory	558 480	-	558 480
Receivables from exchange transactions	3 399 172	-	3 399 172
Receivables from non-exchange transactions	1 535 877	0	1 535 878
Taxes	3 041 324	-	3 041 324
Cash and Cash Equivalents	3 319 949	-	3 319 949
	-	0	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Balance previously reported	Adjustments	Restated Balance
Statement of Financial Performance			
Property Rates	7 593 781	2 295 105	9 888 886
Surcharges and Taxes	4 518	-	4 518
Government Grants and Subsidies	51 747 182	-	51 747 182
Public Contributions and Donations	942 700	-	942 700
Contributed Property, Plant and Equipment	-	-	-
Actuarial Gains	17 164	-	17 164
Availability Charges	-	2 969 762	2 969 762
Fines, Penalties and Forfeits	6 384	-	6 384
Interest Earned - Non-exchange Transactions	157 478	-	157 478
Licences and Permits	-	-	-
Service Charges	24 479 471	(5 291 239)	19 188 233
Sales of Goods and Rendering of Services	2 068 604	(37 344)	2 031 261
Rent on Land	321 186	37 344	358 530
Rental from Fixed Assets	268 360	-	268 360
Interest Earned - external investments	441 939	-	441 939
Interest Earned - Exchange Transactions	2 026 834	-	2 026 834
Licences and Permits.	6 646	-	6 646
Agency Services	389 410	-	389 410
Operational Revenue	74 400	-	74 400
Employee related costs	(25 436 546)	-	(25 436 546)
Remuneration of Councillors	(2 445 929)	-	(2 445 929)
Bad Debts Written Off	(943 094)	-	(943 094)
Contracted Services	(7 086 953)	27 872	(7 059 081)
Depreciation and Amortisation	(10 868 357)	-	(10 868 357)
Actuarial Losses	(25 982)	-	(25 982)
Finance Costs	(1 915 474)	-	(1 915 474)
Bulk Purchases	(12 815 060)	(142 076)	(12 957 136)
Inventory Consumed	(1 606 512)	142 076	(1 464 436)
Operating Leases	(249 731)	-	(249 731)
Operational Costs	(7 349 858)	(1 500)	(7 351 358)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	(4 255 470)	-	(4 255 470)
Gains/(Loss) on Sale of Fixed Assets	1 522 602	-	1 522 602
Discounting of Receivables	(910 130)	-	(910 130)
Fair Value Adjustments of Financial Asset	1 364 940	-	1 364 940
Water Losses	(142 076)	-	(142 076)
Net Surplus/(Deficit) for the year	17 382 428	-	17 382 428

44. CORRECTION OF ERROR IN TERMS OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

44.1 Property, Plant and Equipment

Balance previously reported	-	185 768 421
Cost	-	(422 630)
Write-off of Infrastructure recognised incorrectly in 2017/2018 - Note 2	-	(422 630)
Accumulated Depreciation	-	(213 892)
Write-off of Infrastructure recognised incorrectly in 2017/2018 - Note 2	-	(213 892)
Restated Balance	-	185 131 899

Infrastructure replaced written-off incorrectly in prior year.

44.2 Receivables from Exchange Transactions

Balance previously reported	-	3 399 172
Correction of Consumer Accounts in 2017/2018 - Note 6	-	(22 306)
Restated Balance	-	3 376 866

Correction of Consumer Accounts.

44.3 Receivables from Non-Exchange Transactions

Balance previously reported	-	1 535 878
Correction of Consumer Accounts in 2017/2018 - Note 7	-	(178 275)
Restated Balance	-	1 357 603

Correction of Consumer Accounts.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

		2019 R	2018 R
44.4 Long-Term Borrowings			
Balance previously reported		-	547 407
Correction of Finance Leases in periods before 1 July 2017 - Note 9		-	(351 647)
Restated Balance		-	195 760
Correction of finance leases due to incorrect amortisation tables.			
44.5 Non-Current Provisions			
Balance previously reported		-	27 396 696
Correction of Rehabilitation Costs of landfill-sites in periods before 1 July 2017 - Note 10		-	9 646 307
Restated Balance		-	37 043 003
Correction of Rehabilitation Cost of landfill-sites recognised incorrectly in prior years.			
44.6 Trade and Other Payables from Exchange Transactions			
Balance previously reported		-	15 735 333
Correction of Trade Payables in periods before 1 July 2017 - Note 15		-	38 333
Correction of Retention in periods before 1 July 2017 - Note 15		-	(666 417)
Correction of Trade Payables in 2017/2018 - Note 15		-	2 454
Restated Balance		-	15 109 702
Correction of Trade Payables and Retention.			
44.7 Accumulated Surplus/(Deficit) - 1 July 2017			
Correction of Trade Payables in periods before 1 July 2017 - Note 44.6		-	(38 333)
Correction of Rehabilitation Costs of landfill-sites in periods before 1 July 2017 - Note 44.5		-	(9 646 307)
Correction of Retention in periods before 1 July 2017 - Note 44.6		-	666 417
Correction of Finance Leases in periods before 1 July 2017 - Note 44.4		-	351 647
Total		-	(8 666 576)
44.8 Changes to Statement of Financial Performance			
Movement on operating account as a result of GRAP standards not implemented in prior years:			

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Property Rates	44.3	9 888 886	(178 275)	9 710 611
Surcharges and Taxes		4 518	-	4 518
Government Grants and Subsidies		51 747 182	-	51 747 182
Public Contributions and Donations		942 700	-	942 700
Contributed Property, Plant and Equipment		-	-	-
Actuarial Gains		17 164	-	17 164
Availability Charges		2 969 762	-	2 969 762
Fines, Penalties and Forfeits		6 384	-	6 384
Interest Earned - Non-exchange Transactions		157 478	-	157 478
Licences and Permits from Non-Exchange Transactions		-	-	-
Service Charges	44.2	19 188 233	(22 306)	19 165 927
Sales of Goods and Rendering of Services		2 031 261	-	2 031 261
Rental from Fixed Assets		626 890	-	626 890
Interest Earned - External Investments		441 939	-	441 939
Interest Earned - Exchange Transactions		2 026 834	-	2 026 834
Licences and Permits from Exchange Transactions		6 646	-	6 646
Agency Services		389 410	-	389 410
Operational Revenue		74 400	-	74 400
Total		90 519 687	(200 581)	90 319 106
Expenditure				
Employee related costs		(25 436 546)	-	(25 436 546)
Remuneration of Councillors		(2 445 929)	-	(2 445 929)
Bad Debts Written Off		(943 094)	-	(943 094)
Contracted Services		(7 059 081)	-	(7 059 081)
Depreciation and Amortisation		(10 868 357)	-	(10 868 357)
Actuarial Losses		(25 982)	-	(25 982)
Finance Costs		(1 915 474)	-	(1 915 474)
Bulk Purchases		(12 957 136)	-	(12 957 136)
Inventory Consumed		(1 464 436)	-	(1 464 436)
Operating Leases		(249 731)	-	(249 731)
Transfers and Subsidies		-	-	-
Operational Costs	44.6	(7 351 358)	(2 454)	(7 353 811)
Total		(70 717 124)	(2 454)	(70 719 578)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Note	Balance previously reported	Adjustments	Restated Balance
Gains and Losses				
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value		-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables		(4 255 470)	-	(4 255 470)
Gains/(Loss) on Sale of Fixed Assets		1 522 602	(636 521)	886 081
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		-	-	-
Discounting of Receivables		(910 130)	-	(910 130)
Fair Value Adjustments of Financial Asset		-	-	-
Profit/(Loss) from Discontinued Operations		1 364 940	-	1 364 940
Water Losses		(142 076)	-	(142 076)
Total		(2 420 134)	(636 521)	(3 056 655)
Net Surplus/(Deficit) for the year		17 382 428	(839 555)	16 542 873
			2019 R	2018 R
45. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS				
Surplus/(Deficit) for the year			(17 087 338)	16 542 873
Adjustments for:				
Depreciation and Amortisation			10 929 506	10 868 357
(Gain)/Loss on Sale of Assets			1 002 363	(886 081)
Impairment Loss/(Reversal of Impairment Loss)			4 612 933	-
Fair Value Adjustments of Financial Asset			-	(1 364 940)
Discounting of Receivables			-	910 130
Interest not levied - Non-exchange Transactions			-	(65 616)
Interest not levied - Exchange Transactions			-	(844 514)
Government Grants and Subsidies received			31 826 267	53 705 000
Government Grants and Subsidies recognised as revenue			(26 418 569)	(51 462 242)
Government Grants repaid to National Revenue Fund			(3 663 063)	-
Contribution to provisions – Non-Current Provisions			2 033 865	1 335 463
Donation In-kind			-	(284 940)
Salary In-kind			-	284 940
Contribution from/to provisions - Non-Current Employee Benefits			125 931	119 765
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses			294 942	25 982
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains			-	(17 164)
Contribution from/to - Current Employee Benefits			(2 103)	215 262
Contribution to provisions – Bad Debt			8 967 698	4 255 470
Bad Debts written off			-	943 094
Operating lease income accrued			-	1 146
Operating Surplus/(Deficit) before changes in working capital			12 622 431	34 281 984
Changes in working capital			(7 022 158)	(5 278 520)
Increase/(Decrease) in Trade and Other Payables			896 593	2 913 597
Increase/(Decrease) in Taxes			824 806	(2 046 997)
(Increase)/Decrease in Inventory			4 886	(235 890)
(Increase)/Decrease in Receivables from Exchange Transactions			(4 162 918)	(5 002 356)
(Increase)/Decrease in Receivables from Non-Exchange Transactions			(4 585 524)	(906 875)
Cash generated/(absorbed) by operations			5 600 273	29 003 464
46. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents included in the cash flow statement comprise the following:				
Current Accounts - Note 8			57 772	289 405
Call Deposits and Investments - Note 8			73 463	3 030 163
Cash Floats - Note 8			380	380
Total cash and cash equivalents			131 615	3 319 949
47. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES				
Cash and Cash Equivalents - Note 46			131 615	3 319 949
Less:			(3 652 965)	(2 300 679)
Unspent Transfers and Subsidies - Note 16			(4 045 313)	(2 300 679)
VAT - Note 17			392 348	-
Net cash resources available for internal distribution			(3 521 350)	1 019 270
Allocated to:				
Capital Replacement Reserve			(739)	(739)
Resources available for working capital requirements			(3 522 089)	1 018 531

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
48. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 9	103 320	1 750 590
Used to finance property, plant and equipment - at cost	(103 320)	(1 750 590)
	-	-
Cash set aside for the repayment of long-term liabilities		
Cash invested for repayment of long-term liabilities	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		
49. BUDGET INFORMATION		
49.1 Explanation of variances between approved and final budget amounts		
The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the abnormal high electricity and solid waste tariff increases on consumer debtors, the decrease in the capital expenditure, and the reprioritising of capital projects, with the corresponding changes to funding sources.		
Explanation of variances greater than 5%: Final Budget and Actual Amounts		
49.2 Statement of Financial Position		
49.2.1 Current Assets		
Cash		
<i>Reported Cash is less than budgeted cash due to decrease in budgeted revenue.</i>		
Call Investment Deposits		
<i>Reported Cash is less than budgeted cash due to decrease in budgeted revenue.</i>		
Consumer Debtors		
<i>Increase in provision for debt impairment due to non-payment of accounts by consumers.</i>		
Other Debtors		
<i>Receivables for outstanding availability charges budgeted incorrectly.</i>		
49.2.2 Non-Current Assets		
Investment Property		
<i>Reconstructuring of Asset Register as a result of prior year audit qualification.</i>		
Property, Plant and Equipment		
<i>Reconstructuring of Asset Register as a result of prior year audit qualification.</i>		
Intangible Assets		
<i>Reconstructuring of Asset Register as a result of prior year audit qualification.</i>		
49.2.3 Current Liabilities		
Borrowing		
<i>Settlement of Finance lease earlier than budgeted for.</i>		
Trade and Other Payables		
<i>Increase in payables due to cash flow constraints experienced by the municipality to settle suppliers.</i>		
49.2.4 Non-Current Liabilities		
Provisions		
<i>Increase in provision for rehabilitation of landfill-sites and finance lease expired</i>		
49.2.5 Revenue		
Property Rates		
<i>Revenue Forgone not budgeted for.</i>		
Service Charges - Water Revenue		
<i>Decrease due to water drought and impact on local economy.</i>		
Service Charges - Sanitation Revenue		
<i>Decrease due to water drought and impact on local economy.</i>		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Service Charges - Refuse Revenue

Revenue Forgone not budgeted for.

Service Charges - Other Revenue

Decrease due to water drought and impact on local economy.

Rental of Facilities and Equipment

Decrease due to water drought and impact on local economy.

Interest Earned - External Investments

Cash flow constraints.

Interest Earned - Outstanding Debtors

Decrease due to write-off of old debt.

Fines

Fines received was less than budgeted for.

Licences and Permits

Decrease in licences issued during the year.

Agency Services

Decrease in vehicle licenses registered during the year.

Transfers Recognised - Operational

Repayment of unspent grants was offset against Equitable Share by National Treasury.

Other Revenue

Decrease in operational revenue.

Gains on Disposal of PPE

Inventory Land sold during the year.

Transfers Recognised - Capital

Repayment of unspent grants was offset against Equitable Share by National Treasury.

49.2.6 Expenditure

Depreciation and Asset Impairment

Reconstructuring of Asset Register as a result of prior year audit qualification.

Finance Charges

Increase in provision for rehabilitation of landfill-sites.

Other Materials

Inventory Consumed included under other expenditure in budget.

Other Expenditure

Inventory Consumed included under other expenditure in budget and unwinding of interest not levied for Receivables.

Cash Flow Statement

49.2.7 Net Cash from Operating Activities

Service Charges

Decrease due to non-payment by consumer debtors.

Finance costs

Interest paid to suppliers as a result of suppliers not paid within 30 days.

49.2.8 Net Cash from Investing Activities

Capital Assets

Capital Expenditure place on-hold as a result of unspent grants repaid to National Treasury.

49.2.9 Net Cash from Financing Activities

Increase/(Decrease) in Consumer Deposits

Decrease in consumer connections during the year.

Repayment of Borrowing

Settlement of Finance lease earlier than budgeted for.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
50. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
50.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	64 045 002	60 243 721
Correction of prior period error	-	-
Restated opening balance	64 045 002	60 243 721
Unauthorised expenditure current year - operational	8 688 330	3 801 281
Unauthorised expenditure current year - capital	30 010	-
Approved by Council or condoned	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery	-	-
Current	-	-
Prior Period	-	-
Unauthorised expenditure awaiting authorisation	72 763 342	64 045 002

Unauthorised expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Over expenditure of approved operating budget - 2011	None	8 326 343	8 326 343
Over expenditure of approved capital budget - 2011	None	5 601 856	5 601 856
Over expenditure of approved operating budget - 2012	None	48 113	48 113
Over expenditure of approved capital budget - 2012	None	430 587	430 587
Over expenditure of approved operating budget - 2013	None	2 219 133	2 219 133
Over expenditure of approved capital budget - 2013	None	4 457 394	4 457 394
Over expenditure of approved operating budget - 2014	None	4 354 299	4 354 299
Over expenditure of approved capital budget - 2014	None	6 368 173	6 368 173
Over expenditure of approved operating budget - 2015	None	6 562 636	6 562 636
Over expenditure of approved capital budget - 2015	None	445 821	445 821
Over expenditure of approved operating budget - 2016	None	6 488 967	6 488 967
Over expenditure of approved capital budget - 2016	None	2 194 638	2 194 638
Over expenditure of approved operating budget - 2017	None	12 372 322	12 372 322
Over expenditure of approved capital budget - 2017	None	373 440	373 440
Over expenditure of approved operating budget - 2018	None	3 801 281	3 801 281
Over expenditure of approved operating budget - 2019	None	8 718 340	
		72 763 342	64 045 002

The overspending of the Budget per municipal vote can be summarised as follows:

	2019 Actual R	2019 Final Budget R	2019 Variance R	2019 Unauthorised R
Unauthorised expenditure current year - operating				
Executive and council	6 244 199	6 819 883	(575 684)	-
Administration: Corporate	9 283 041	7 120 521	2 162 520	2 162 520
Administration: Community	7 244 978	6 952 625	292 353	292 353
Financial Services	14 278 904	14 459 555	(180 651)	-
Infrastructure	42 337 613	36 104 156	6 233 457	6 233 457
	79 388 734	71 456 740	7 931 994	8 688 330
	2019 Actual R	2019 Final Budget R	2019 Variance R	2019 Unauthorised R
Unauthorised expenditure current year - capital				
Executive and council	10 323	25 000	(14 677)	-
Administration: Corporate	32 763	32 500	263	263
Administration: Community	169 984	169 188	796	796
Financial Services	48 951	20 000	28 951	28 951
Infrastructure	7 024 404	11 729 000	(4 704 596)	-
	7 286 426	11 975 688	(4 689 262)	30 010

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

50.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

	2019 R	2018 R
Opening balance	282 806	252 745
Correction of prior period error	-	-
Restated opening balance	282 806	252 745
Fruitless and wasteful expenditure current year	406 815	30 060
Condoned or written off by Council	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery - not condoned	-	-
Current	-	-
Prior Period	-	-
Fruitless and wasteful expenditure awaiting condonement	689 621	282 806

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Interest and Penalties Paid to SARS on late payment of employee tax.	None	115	115
Interest Paid to Eskom.	None	38 083	38 083
Interest Paid to Creditors.	None	6 331	6 331
Interest and Penalties Paid to SARS on late payment of VAT.	None	12 693	12 693
Power failure caused damages to lobster and abalone at the Port Lobster fishing factory	None	25 000	25 000
Official responsible for preparation of orders failed to supply order to ensure timeous payment of creditor	None	65	65
Official responsible for preparation of orders failed to supply order to ensure timeous payment of creditor	None	224	224
Interest Paid to Creditors	None	66 025	66 025
Interest and Penalties Paid to SARS on late payment of employee tax.	None	44	44
Interest Paid to Eskom	None	13 944	13 944
Interest Paid to Creditors	None	4 770	4 770
Interest and Penalties Paid to SARS on late payment of Provident Fund	None	621	621
Interest Paid to Eskom	None	67 249	67 249
Interest Paid to Creditors	None	41 760	41 760
Interest Paid to D.J Scholtz & de Wit	None	5 264	5 264
Interest Paid to Wessee Konstruksie	None	206	206
Interest Paid to Van's Photo	None	57	57
Interest Paid to Honolulu Hardware	None	352	352
Interest Paid to Creditors	None	38	-
Interest Paid to Eskom	None	10 169	-
Interest Paid to Eskom	None	30 817	-
Interest Paid to Eskom	None	29 754	-
Interest Paid to Wessee Konstruksie	None	1 154	-
Interest Paid to Eskom	None	35 892	-
Interest Paid to Eskom	None	38 236	-
Interest Paid to Eskom	None	129	-
Interest Paid to Eskom	None	155	-
Interest on late payment -Government Printing	None	25	-
Interest Paid to Eskom	None	736	-
Interest Paid to Eskom	None	2 204	-
Interest on late payment - Municipal Workers Retirement	None	685	-
Interest Paid to Wessee Konstruksie	None	11	-
Interest Paid to Eskom	None	143	-
Interest on late payment - Honolulu Mica	None	705	-
Interest Paid to Telkom	None	302	-
Interest Paid to Eskom	None	325	-
Interest Paid to Auditor General	None	52 611	-
Interest Paid to SARS	None	2 556	-
Interest Paid to TGIS	None	952	-
Interest Paid to Wessee Konstruksie	None	91	-
Interest Paid to Eskom	None	199 125	-
		689 621	282 806

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
50.3 Irregular expenditure		
Reconciliation of irregular expenditure:		
Opening balance	57 548 589	57 548 589
Correction of prior period error		
Restated opening balance	57 548 589	57 548 589
Irregular expenditure current year	-	-
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Current	-	-
Prior Period	-	-
Condonement supported by council	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery - not condoned	-	-
Current	-	-
Prior Period	-	-
Irregular expenditure awaiting further action	57 548 589	57 548 589

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Non compliance with Supply Chain Management Policy - Three written quotations not obtained and incomplete registration forms	To be investigated	16 460 016	16 460 016
Non compliance of tenders with Supply Chain Management Policy	To be investigated	24 880 494	24 880 494
Non compliance with Supply Chain Management Policy - Supplier in service of state	To be investigated	506 874	506 874
Non compliance with Supply Chain Management Policy - Contracts awarded not published on website	To be investigated	1 487 349	1 487 349
Non compliance with Supply Chain Management Policy - Deviation not reported to council	To be investigated	3 670	3 670
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2015	To be investigated	3 729 662	3 729 662
Employee Related Cost - employees acting as CFO for longer than 3 months - 2015	To be investigated	140 781	140 781
Employee Related Cost - appointments made not on organogram - 2015	To be investigated	1 251 121	1 251 121
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2016	None	3 530 313	3 530 313
Overpayment of capital projects	None	165 577	165 577
Employee Related Cost - employees acting as Municipal Manager for longer than 6 months - 2016	None	79 141	79 141
Employee Related Cost - appointments made not on organogram - 2016	None	300 320	300 320
Employee Related Cost - employees acting as Municipal Manager for longer than 6 months - 2017	To be investigated	380 192	380 192
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2017	To be investigated	4 633 079	4 633 079
		57 548 589	57 548 589

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Further instances of Irregular Expenditure that might have resulted from non-compliance with the supply chain management processes are under investigation to determine the full extent of the amount. These expenditure can be summarised as follows:

Incident	Disciplinary steps/criminal proceedings
Non compliance with Supply Chain Management Policy - R2 000 - R10 000	To be investigated
Non compliance with Supply Chain Management Policy - R10 001 - R500 000	To be investigated
Non compliance with Supply Chain Management Policy - Competitive Bids	To be investigated
Deviations from the Supply Chain Management Policy	To be investigated
Deviations from the Supply Chain regulations - Preference points system not used	To be investigated
Non compliance with Supply Chain Management Policy - Local content	To be investigated
Non compliance with Supply Chain Management Policy - Contract Management	To be investigated
Senior Manager Positions are filled by acting managers for more than three months	To be investigated
Procurement was deliberately split into parts of lesser value to avoid complying with the requirements of the SCM Policy/SCM Regulations	To be investigated
Non compliance with Supply Chain Management Policy - No declaration of interest	To be investigated
Officials approved payments without approved delegation	To be investigated
Procurement process is not followed for the banking services	To be investigated

2019
R

2018
R

-	29 634
266 471	1 124 646
-	10 845 945
381 500	13 271 737
552 761	86 754
4 434 339	60 852
-	503 657
68 184	-
221 628	-
301 054	-
500 395	-
97 273	-
6 823 604	25 923 225

51. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

51.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)

Opening balance	-	100 000
Council subscriptions	500 000	500 000
Amount paid - current year	(500 000)	(500 000)
Amount paid - previous years	-	(100 000)
Balance unpaid (included in creditors)	-	-

51.2 Audit fees - [MFMA 125 (1)(c)]

Opening balance	518 496	1 468 016
Correction of prior period error	-	-
Restated opening balance	518 496	1 468 016
Current year audit fee	2 489 633	2 475 441
External Audit - Auditor-General	2 468 090	2 475 441
Internal Audit	-	-
Audit Committee	21 543	-
Amount paid - current year	-	(1 461 507)
Amount paid - previous year	(1 027 027)	(1 963 455)
Balance unpaid (included in creditors)	1 981 102	518 496

51.3 VAT - [MFMA 125 (1)(c)]

VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year. The net of VAT Input Payables and VAT Output Receivables are shown in Note 17.

51.4 PAYE and UIF - [MFMA 125 (1)(c)]

Opening balance	279 277	204 881
Correction of prior period error	5 208	-
Restated opening balance	284 485	204 881
Current year payroll deductions	3 416 535	3 051 642
Amount paid - current year	(3 164 647)	(2 772 365)
Amount paid - previous year	(284 485)	(204 881)
Balance unpaid (included in creditors)	251 888	279 277

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
51.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]		
Opening balance	427 088	178 095
Correction of prior period error	-	-
Restated opening balance	427 088	178 095
Current year payroll deductions and Council Contributions	5 289 651	5 051 920
Amount paid - current year	(4 854 867)	(4 624 832)
Amount paid - previous year	(427 088)	(178 095)
Balance unpaid (included in creditors)	434 784	427 088

51.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June 2019:

	Outstanding more than 90 days
AM Jansen	10 060

None of the Councillors had arrear accounts outstanding for more than 90 days during the year.

51.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):

30 June 2019

	Amount	1/2 Quotes	Single Supplier	Impossible	Type of Deviation Impractical	Emergency
July	-	-	-	-	-	-
August	18 265	-	-	-	3	-
September	12 057	-	1	-	1	-
October	92 188	1	3	-	2	1
November	41 338	-	-	-	4	-
December	1 316 476	12	1	-	-	1
January	45 881	3	1	-	2	-
February	10 659	-	-	-	1	-
March	2 529	-	-	-	1	-
April	21 630	1	-	-	-	-
May	-	-	-	-	-	-
June	237 616	2	-	-	2	-
	1 798 639	19	6	-	16	2

30 June 2018

	Amount	1/2 Quotes	Single Supplier	Impossible	Type of Deviation Impractical	Emergency
July	891 964	1	5	-	1	1
August	2 382 942	3	6	-	6	5
September	101 498	-	3	-	2	-
October	1 445 523	4	4	-	-	3
November	572 845	1	6	-	-	-
December	591 916	1	43	-	1	3
January	556 681	1	10	-	3	1
February	346 870	1	5	-	1	-
March	459 407	1	8	-	1	3
April	20 643	-	2	-	2	-
May	312 474	-	2	-	-	-
June	28 792	-	2	-	2	-
	7 711 555	13	96	-	19	16

51.8 BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

	2019 R	2018 R
51.9 Material losses		
Electricity distribution losses		
Units purchased (Kwh)	9 737 058	10 224 620
Units lost during distribution (Kwh)	2 732 393	2 867 301
Percentage lost during distribution	28.06%	28.04%
Distribution loss (Rand Value)	1 757 392	1 722 077

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
Water distribution losses		
Units purchased (ml)	280 790	382 310
Units lost during distribution (ml)	66 387	51 664
Percentage lost during distribution	23.64%	13.51%
Distribution loss (Rand Value)	182 564	142 076

Normal pipe bursts and field leakages are responsible for water losses.

52. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

	2019 R	2018 R
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
1% (2018: 1%) Increase in interest rates	279	15 690
1% (2018: 1%) Decrease in interest rates	(279)	(15 690)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 6 and 7 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2019 %	2019 R	2018 %	2018 R
<u>Non-Current Receivables</u>				
Repay Arrangements	100.00%	-	100.00%	-
<u>Non-exchange Receivables</u>				
Rates	100.00%	14 286 788	100.00%	12 010 458
	100.00%	14 286 788	100.00%	12 010 458

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Exchange Receivables

Electricity	7.17%	3 578 788	7.61%	3 405 533
Water	27.84%	13 897 931	26.52%	11 872 839
Property Rentals	4.09%	2 043 622	5.30%	2 372 445
Waste Management	25.17%	12 564 640	24.47%	10 955 096
Waste Water Management	22.45%	11 209 898	23.11%	10 345 980
Abeysance	5.70%	2 846 696	5.91%	2 644 276
Other	7.57%	3 780 079	7.07%	3 164 773
	100.00%	49 921 653	100.00%	44 760 943

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 6 and 7 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2019 %	2019 R	2018 %	2018 R
<u>Non-exchange Receivables</u>				
Rates	51.12%	49 377 191	52.23%	45 243 726
<u>Exchange Receivables</u>				
Services	48.88%	47 216 102	47.77%	41 384 077
	100.00%	96 593 293	100.00%	86 627 803

Ageing of amounts past due but not impaired are as follow:

2019

1 month past due	108 931	-
2+ months past due	-	-
	108 931	-

2018

1 month past due	1 050 911	98 409
2+ months past due	153 179	710 012
	1 204 090	808 420

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

	2019 R	2018 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	49 921 653	44 760 943
Receivables from non-exchange transactions	51 186 853	46 601 329
Cash and Cash Equivalents	131 235	3 319 569
	101 239 742	94 681 840

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2019				
Long-term Liabilities	103 320	-	-	-
Trade and Other Payables	16 006 295	-	-	-
	<u>16 109 614</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2018				
Long-term Liabilities	1 699 878	585 267	-	-
Trade and Other Payables	15 109 702	-	-	-
	<u>16 809 580</u>	<u>585 267</u>	<u>-</u>	<u>-</u>

2019
R

2018
R

53. FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

53.1 Financial Assets

Classification

Receivables from Exchange Transactions

Electricity	Financial Instruments at amortised cost	805 506	422 052
Water	Financial Instruments at amortised cost	677 279	1 519 441
Property Rentals	Financial Instruments at amortised cost	18 769	479 189
Waste Management	Financial Instruments at amortised cost	339 919	334 503
Waste Water Management	Financial Instruments at amortised cost	327 760	476 544
Other Arrears	Financial Instruments at amortised cost	536 319	145 137

Cash and Cash Equivalents

Bank Balances	Financial Instruments at amortised cost	57 772	289 405
Call Deposits	Financial Instruments at amortised cost	73 463	3 030 163

Total Financial Assets

2 836 786

6 696 434

SUMMARY OF FINANCIAL ASSETS

Financial Instruments at amortised cost:

Receivables from Exchange Transactions	Electricity	805 506	422 052
Receivables from Exchange Transactions	Water	677 279	1 519 441
Receivables from Exchange Transactions	Property Rentals	18 769	479 189
Receivables from Exchange Transactions	Waste Management	339 919	334 503
Receivables from Exchange Transactions	Waste Water Management	327 760	476 544
Receivables from Exchange Transactions	Abeyance	-	-
Receivables from Exchange Transactions	Other Arrears	536 319	145 137
Cash and Cash Equivalents	Bank Balances	57 772	289 405
Cash and Cash Equivalents	Call Deposits	73 463	3 030 163

2 836 786

6 696 434

Total Financial Assets

2 836 786

6 696 434

53.2 Financial Liabilities

Classification

Long-term Liabilities

Capitalised Lease Liability	Financial Instruments at amortised cost	103 320	2 102 237
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Trade and Other Payables

Trade Payables	Financial Instruments at amortised cost	14 427 090	13 824 800
Advance Payments	Financial Instruments at amortised cost	804 833	874 078
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	331 393	43 369
Other Payables	Financial Instruments at amortised cost	292 444	202 231
Retentions	Financial Instruments at amortised cost	150 535	790 855

16 109 614

17 837 569

SUMMARY OF FINANCIAL LIABILITIES

Financial instruments at amortised cost:

Long-term Liabilities	Capitalised Lease Liability	103 320	2 102 237
Trade and Other Payables	Trade Payables	14 427 090	13 824 800
Trade and Other Payables	Advance Payments	804 833	874 078
Trade and Other Payables	Control, Clearing and Interface Accounts	331 393	43 369
Trade and Other Payables	Other Payables	292 444	202 231
Trade and Other Payables	Retentions	150 535	790 855

16 109 614

17 837 569

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
54. STATUTORY RECEIVABLES		
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
Taxes		
VAT Receivable	2 549 798	0.00
Receivables from Non-Exchange Transactions	14 286 788	12 010 458
Rates	14 286 788	12 010 458
Total Statutory Receivables (before provision)	16 836 586	12 010 458
Less: Provision for Debt Impairment	(15 108 627)	(10 975 162)
Total Statutory Receivables (after provision)	1 727 959	1 035 296

Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)

(Rates): Ageing

Current (0 - 30 days)	123 515	48 601
31 - 60 Days	79 768	98 409
61 - 90 Days	65 845	76 399
+ 90 Days	14 017 660	11 787 050
Total	14 286 788	12 010 458

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	10 975 162	10 716 667
Contribution to provision	4 133 465	258 495
Reversal of provision	-	-
Balance at end of year	15 108 627	10 975 162

Interest is levied at a rate determined by the council on outstanding rates amounts.

55. IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review.

56. PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

57. CONTINGENT LIABILITY

The municipality is not currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions.

58. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

58.1 Related Party Transactions

	Rates	Service Charges	Other	Interest	Outstanding Balance	Provision for Debt Impairment
Year ended 30 June 2019						
Councillors						
AM Jansen - Mayor	10 977	29 869	-	-	17 865	-
G Beukes	552	4 961	-	-	402	-
WJP Links	1 832	4 456	-	-	37 165	-
R Jonker	5 385	6 203	-	-	-	-
S Isaaks	-	2 337	-	-	196	-
CJ Stuurman	901	7 645	-	-	-4	-
	19 647	55 472	-	-	55 624	-
Municipal Manager and Section 57 Employees						
JX Komanisi	-	18 977	27 253	-	6 619	-
M Basson	860	4 566	-	-	-	-
	860	23 543	27 253	-	6 619	-

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Rates	Service Charges	Other	Interest	Outstanding Balance	Provision for Debt Impairment
Year ended 30 June 2018						
Councillors						
AM Jansen - Mayor	10 293	25 654	-	-	4 532	-
R Jonker	5 110	5 887	-	-	837	-
G Beukes	508	6 627	-	-	324	-
	15 911	38 168	-	-	5 693	-
Municipal Manager and Section 57 Employees						
E Cloete	-	3 921	-	-	298	-
JX Komanisi	-	19 663	25 204	-	2 928	-
	-	23 584	25 204	-	3 226	-

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

Related party relationship

Councillors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality.

58.2 Compensation of key management personnel

The compensation of key management personnel is set out in note 31 to the Annual Financial Statements.

58.3 Current Employee Benefits

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on :

30 June 2019

Name	Position	Staff Leave Obligations	Staff Bonus Obligations
GE Cloete	Municipal Manager	-	-
ME Basson	Chief Financial Officer	-	-
EE Cloete	Head: Corporate Services	-	-
JX Komanisi	Infrastructure Manager	-	-
SC Adams	Strategic Planning Manager	49 679	12 622
		49 679	12 622

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on :

30 June 2018

Name	Position	Staff Leave Obligations	Staff Bonus Obligations
D Maposa	Municipal Manager	-	-
ME Basson	Chief Financial Officer	48 728	8 751
EE Cloete	Head: Corporate Services	46 734	15 454
JX Komanisi	Infrastructure Manager	50 408	20 420
SC Adams	Strategic Planning Manager	39 985	-
		185 856	44 626

The comparative information relating to current employee benefits, travel and subsistence and provision for debt impairment have been restated due to an error identified in the financial statements regarding amounts disclosed 30 June 2018.

				2019 R	2018 R
58.4 Other related party transactions					
The following purchases were made during the year where Councillors or staff have an interest:					
Company Name	Related Party	Service Capacity	Relationship		
MC Spyseniering	L. Cloete	Human Resource Clerk	Mother	8 640	9 650
Namakwaland Konstruksie	S. Hearne	Payroll Officer	Husband	256 159	1 551 318
T & D Caterers	B. Raman	Testing Officer	Mother	61 080	99 898
				325 879	1 660 865

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

59. FINANCIAL SUSTAINABILITY

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the vast distances between several settlements coupled with the social-economic profile (high unemployment rate) of Richtersveld communities resulted in a serious risk for Richtersveld Municipality's going concern.

Unless sustainable job creation is achieved, Richtersveld Municipality will not be able to function as a going concern without Government Grants and Subsidies.

The municipality is experiencing difficulty to settle its current liabilities as its net current asset position is insufficient. The current liabilities exceeds the current assets with R24 424 736 (2018: R13 254 037).

The municipality have budgeted for a profit of R 903 000 for the 2019/2020 financial year, R 4 400 000 for 2021/2022 and R 5 047 000 for the 2019/2020 financial year. The municipality has also budgeted for cash flows of R 3 570 000 for 2019/2020, R 11 933 000 for 2020/2021 and R 3 370 000 for the 2021/2022 financial year.

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

60. EVENTS AFTER REPORTING PERIOD

No events after the reporting date were identified by management that will effect the operations of the municipality or the results of those operations significantly.

APPENDIX A
RICHTERSVELD MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2019

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2018	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2019
LEASE LIABILITY								
Office Equipment		Various	01/07/2019	-	-	-	-	-
Vehicles				2 102 237	-	-	(1 998 917)	103 320
Total Lease Liabilities				2 102 237	-	-	(1 998 917)	103 320
TOTAL EXTERNAL LOANS				2 102 237	-	-	(1 998 917)	103 320

Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
-	-
-	-
-	-
-	-

APPENDIX B
RICHTERSVELD MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R		2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R
			Governance and Administration			
81 649	(7 208 330)	(7 126 680)	Executive and council	49 231	(5 984 499)	(5 935 268)
31 489 075	(22 940 416)	8 548 659	Finance and administration	27 856 744	(25 134 923)	2 721 821
-	-	-	Internal audit	-	(259 699)	(259 699)
			Community and Public Safety			
1 085 226	(2 117 820)	(1 032 593)	Community and social services	732 436	(1 772 809)	(1 040 373)
1 411 540	(1 895 050)	(483 511)	Sport and recreation	932 712	(2 202 745)	(1 270 032)
-	(121 075)	(121 075)	Public safety	-	(121 600)	(121 600)
-	(345 336)	(345 336)	Housing	-	(1 084 463)	(1 084 463)
(5 042)	(38 855)	(43 897)	Health	(168 881)	(41 575)	(210 456)
			Economic and Environmental Services			
96 313	(411 330)	(315 017)	Planning and development	126 585	(994 714)	(868 130)
311 145	(6 781 215)	(6 470 069)	Road transport	1 003 025	(4 499 922)	(3 496 898)
-	-	-	Environmental protection	-	-	-
			Trading Services			
18 478 235	(13 749 963)	4 728 272	Energy sources	13 439 681	(15 225 465)	(1 785 784)
11 787 409	(13 266 586)	(1 479 177)	Water management	10 351 486	(13 583 012)	(3 231 526)
24 884 338	(3 704 126)	21 180 212	Waste water management	4 347 004	(3 555 757)	791 247
3 595 968	(3 997 123)	(401 155)	Waste management	3 631 374	(4 927 550)	(1 296 176)
-	(95 758)	(95 758)	Other	-	-	-
93 215 856	(76 672 983)	16 542 873	Sub Total	62 301 397	(79 388 734)	(17 087 338)
-	-	-	Less Inter-Departmental Charges	-	-	-
93 215 856	(76 672 983)	16 542 873	Total	62 301 397	(79 388 734)	(17 087 338)

APPENDIX C
RICHTERSVELD MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019
MUNICIPAL VOTES CLASSIFICATIONS

2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R		2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R
			Executive and council			
81 649	(6 225 057)	(6 143 407)	Council General Expenses	-	(5 757 561)	(5 757 561)
-	(983 273)	(983 273)	Municipal Manager	49 231	(486 638)	(437 407)
-	(95 758)	(95 758)	Tourism	-	-	-
			Administration: Corporate			
17 732 873	(7 245 231)	10 487 642	Administration.	22 864 020	(5 897 155)	16 966 865
(5 042)	(38 855)	(43 897)	Health Services	(168 881)	(41 575)	(210 456)
1 087 898	(2 040 441)	(952 544)	Library	728 908	(1 693 766)	(964 859)
253 106	(1 301 879)	(1 048 773)	Offices	262 927	(1 217 023)	(954 096)
6 018	(424 177)	(418 159)	Vehicle Testing	672	(433 522)	(432 850)
			Administration: Community			
2 766 236	(287 582)	2 478 654	Properties	(63 993)	(2 368 232)	(2 432 225)
332 082	(250 739)	81 343	Commonage	429 821	(281 782)	148 039
3 447	(39 254)	(35 807)	Cemetery	5 181	(38 420)	(33 239)
-	(307 212)	(307 212)	Housing Scheme 4	-	(659 061)	(659 061)
-	(38 124)	(38 124)	Housing Scheme 5	-	(425 402)	(425 402)
-	(121 075)	(121 075)	Fire Brigade	-	(121 600)	(121 600)
(23 057)	(1 013 653)	(1 036 710)	Workshop	(19 350)	(1 109 633)	(1 128 983)
-	(38 124)	(38 124)	Beaches	-	(40 623)	(40 623)
1 424 936	(1 375 718)	49 217	Caravan Park	932 029	(1 632 262)	(700 233)
(6 118)	(38 124)	(44 243)	Museum	(1 653)	(40 623)	(42 276)
(13 396)	(88 634)	(102 030)	Recreational Park	(2 576)	(76 575)	(79 151)
-	(376 731)	(376 731)	Community Gym	3 259	(450 764)	(447 505)
			Financial Services			
739 530	(11 171 036)	(10 431 506)	Administration	(2 638 519)	(11 691 474)	(14 329 993)
9 688 305	(2 003 827)	7 684 478	Assessment Rates	7 021 838	(2 587 430)	4 434 408
			Infrastructure			
3 595 968	(3 997 123)	(401 155)	Refuse Removal	3 631 374	(4 927 550)	(1 296 176)
24 884 338	(3 702 078)	21 182 260	Sewerage Services	4 347 004	(3 555 757)	791 247
401 441	(6 359 086)	(5 957 645)	Roads & Stormwater	1 128 938	(4 997 643)	(3 868 705)
11 787 409	(13 266 586)	(1 479 177)	Water Services	10 351 486	(13 583 012)	(3 231 526)
18 478 235	(13 749 963)	4 728 272	Electricity Services	13 439 681	(15 225 465)	(1 785 784)
-	(15 843)	(15 843)	Sport Ground	-	(2 521)	(2 521)
-	(77 799)	(77 799)	Planning and Development	-	(45 666)	(45 666)
93 215 856	(76 672 983)	16 542 873	Sub Total	62 301 397	(79 388 734)	(17 087 338)
-	-	-	Less Inter-Departmental Charges	-	-	-
93 215 856	(76 672 983)	16 542 873	Total	62 301 397	(79 388 734)	(17 087 338)

APPENDIX D
RICHTERSVELD MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2018	Correction of Error	Restated Balance 30 June 2018	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2019	Unspent 30 June 2019 (Creditor)	Unpaid 30 June 2019 (Debtor)
<u>National Government Grants</u>											
Equitable Share	-	-	-	15 473 000	-	-	(15 473 000)	-	-	-	-
Finance Management Grant	-	-	-	1 970 000	-	-	(1 923 146)	-	46 854	46 854	-
Municipal Infrastructure Grant	2 130 703	-	2 130 703	2 429 000	-	(3 550 009)	-	(1 009 694)	-	-	-
Integrated National Electrification Grant	113 055	-	113 055	4 000 000	-	(113 055)	-	(242 805)	3 757 195	3 757 195	-
Expanded Public Works Programme Integ	-	-	-	1 000 000	-	-	(1 000 000)	-	-	-	-
Municipal Disaster Grant	-	-	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	-	-	-	5 000 000	-	-	-	(5 000 000)	-	-	-
Total National Government Grants	2 243 758	-	2 243 758	29 872 000	-	(3 663 063)	(18 396 146)	(6 252 499)	3 804 049	3 804 049	-
<u>Provincial Government Grants</u>											
Libraries, Archives and Museums	162	-	162	928 000	-	-	(743 658)	-	184 504	184 504	-
Economic Development and Tourism	-	-	-	800 000	-	-	(800 000)	-	-	-	-
Mineral Resources	-	-	-	172 500	-	-	(172 500)	-	-	-	-
Total Provincial Government Grants	162	-	162	1 900 500	-	-	(1 716 158)	-	184 504	184 504	-
<u>Other Grant Providers</u>											
Alexkor	56 759	-	56 759	-	-	-	-	-	56 759	56 759	-
SETA	-	-	-	53 767	-	-	(53 767)	-	-	-	-
Total Other Grant Providers	56 759	-	56 759	53 767	-	-	(53 767)	-	56 759	56 759	-
Total Grants	2 300 679	-	2 300 679	31 826 267	-	(3 663 063)	(20 166 070)	(6 252 499)	4 045 313	4 045 313	-

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.

RICHTERSVELD - Reconciliation of Table A1 Budget Summary

Description	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	13 682	(1 030)	12 652	9 728		2 924	76.9%	71.1%				9 711
Service charges	29 705	(0)	29 705	23 094		6 610	77.7%	77.7%				22 136
Investment revenue	1 517	–	1 517	648		870	42.7%	42.7%				627
Transfers recognised - operational	401	–	401	72		329	18.0%	18.0%				389
Other own revenue	24 620	2 562	27 182	27 957		(776)	102.9%	113.6%				25 469
Total Revenue (excluding capital transfers and contributions)	–	–	–	–		–	0.0%	0.0%				–
Employee costs	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Remuneration of councillors	26 569	(779)	25 789	26 412	–	(622)	102.4%	99.4%	–	–	–	25 419
Debt impairment	2 408	125	2 532	2 489	–	43	98.3%	103.4%	–	–	–	2 446
Depreciation & asset impairment	8 981	–	8 981	8 968	–	13	99.9%	99.9%	–	–	–	4 255
Finance charges	5 985	–	5 985	10 930	–	(4 944)	182.6%	182.6%	–	–	–	10 868
Materials and bulk purchases	15 685	402	16 087	16 184	–	(96)	100.6%	103.2%	–	–	–	14 873
Transfers and grants	3 276	339	3 616	4 127	–	(511)			–	–	–	7 059
Other expenditure	7 720	746	8 466	14 893	–	(6 427)	175.9%	192.9%	–	–	–	11 089
Total Expenditure	–	–	–	–	–	–	0.0%	0.0%	–	–	–	–
Surplus/(Deficit)	–	–	–	–		–	0.0%	0.0%				–
Transfers recognised - capital	26 587	–	11 729	6 252		5 477	53.3%	23.5%				33 335
Contributions recognised - capital & contributed assets	–	–	–	–		–	–	–				–
Surplus/(Deficit) after capital transfers & contributions	–	–	–	–		–	0.0%	0.0%				–
Share of surplus/ (deficit) of associate	–	–	–	–		–	–	–				–
Surplus/(Deficit) for the year	–	–	–	–		–	0.0%	0.0%				–
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	26 587	(14 858)	11 729	7 286		4 443	62.1%	27.4%				26 661
Public contributions & donations	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Borrowing	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Internally generated funds	75	172	247	–		247	0.0%	0.0%				–
Total sources of capital funds	–	–	–	–		–	0.0%	0.0%				–
Cash flows												
Net cash from (used) operating	31 686	(14 893)	16 793	5 600		11 193	33.3%	17.7%				29 003
Net cash from (used) investing	(26 500)	14 686	(11 814)	(7 286)		(4 527)	61.7%	27.5%				(24 941)
Net cash from (used) financing	(768)	474	(295)	(1 502)		1 208	510.1%	195.5%				(1 355)
Cash/cash equivalents at the year end	–	–	–	–		–	0.0%	0.0%				–

RICHTERSVELD - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand												
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
<i>Governance and administration</i>	36 818	1 532	38 349	27 906		10 443	72.8%	75.8%				31 571
Executive and council	–	(101)	(101)	49		(150)	-48.7%	#DIV/0!				82
Finance and administration	36 818	1 633	38 450	27 857		10 593	72.4%	75.7%				31 489
Internal audit	–	–	–	–		–	#DIV/0!	#DIV/0!				–
<i>Community and public safety</i>	3 032	0	3 032	1 496		1 536	49.3%	49.3%				2 492
Community and social services	916	0	916	732		184	79.9%	79.9%				1 085
Sport and recreation	2 100	–	2 100	933		1 167	44.4%	44.4%				1 412
Public safety	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Housing	20	0	20	–		20	0.0%	0.0%				–
Health	(4)	(0)	(4)	(169)		165	4277.6%	4278.7%				(5)
<i>Economic and environmental services</i>	7 463	(4 858)	2 605	1 130		1 476	43.4%	15.1%				407
Planning and development	34	–	34	127		(92)	369.1%	369.1%				96
Road transport	7 429	(4 858)	2 571	1 003		1 568	39.0%	13.5%				311
Environmental protection	–	–	–	–		–	#DIV/0!	#DIV/0!				–
<i>Trading services</i>	49 199	(10 000)	39 199	31 770		7 430	81.0%	64.6%				58 746
Electricity	17 020	0	17 020	13 440		3 580	79.0%	79.0%				18 478
Water	23 174	(10 000)	13 174	10 351		2 822	78.6%	44.7%				11 787
Waste water management	4 037	(0)	4 037	4 347		(310)	107.7%	107.7%				24 884
Waste management	4 968	(0)	4 968	3 631		1 337	73.1%	73.1%				3 596
<i>Other</i>	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Total Revenue - Standard	96 512	(13 326)	83 186	62 301		20 884	74.9%	64.6%				93 216

RICHTERSVELD - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description R thousand	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.i.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Expenditure - Standard												
<i>Governance and administration</i>	27 768	979	28 748	31 379	–	–	0.0%	0.0%	–	–	–	30 149
Executive and council	6 171	415	6 586	5 984	–	601	90.9%	97.0%	–	–	–	7 208
Finance and administration	21 598	537	22 135	25 135	–	(3 000)	113.6%	116.4%	–	–	–	22 940
Internal audit	–	27	27	260	–	(232)	946.9%	#DIV/0!	–	–	–	–
<i>Community and public safety</i>	5 137	286	5 423	5 223	–	–	0.0%	0.0%	–	–	–	4 518
Community and social services	2 364	(68)	2 296	1 773	–	524	77.2%	75.0%	–	–	–	2 118
Sport and recreation	2 326	139	2 465	2 203	–	262	89.4%	94.7%	–	–	–	1 895
Public safety	78	50	128	122	–	7	94.9%	155.7%	–	–	–	121
Housing	325	15	340	1 084	–	(744)	318.6%	333.3%	–	–	–	345
Health	43	150	193	42	–	152	21.5%	96.4%	–	–	–	39
<i>Economic and environmental services</i>	5 979	(926)	5 054	5 495	–	–	0.0%	0.0%	–	–	–	7 193
Planning and development	1 195	(56)	1 138	995	–	144	87.4%	83.3%	–	–	–	411
Road transport	4 784	(869)	3 915	4 500	–	(585)	114.9%	94.1%	–	–	–	6 781
Environmental protection	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
<i>Trading services</i>	31 740	493	32 232	37 292	–	–	0.0%	0.0%	–	–	–	34 814
Electricity	18 234	2	18 236	15 225	–	3 011	83.5%	83.5%	–	–	–	13 750
Water	5 070	(221)	4 849	13 583	–	(8 734)	280.1%	267.9%	–	–	–	13 267
Waste water management	4 526	128	4 653	3 556	–	1 098	76.4%	78.6%	–	–	–	3 704
Waste management	3 704	583	4 287	4 928	–	(640)	114.9%	133.0%	–	–	–	3 997
<i>Other</i>	207	–	207	–	–	–	0.0%	0.0%	–	–	–	96
Total Expenditure - Standard	70 624	833	71 457	79 389	–	–	0.0%	0.0%	–	–	–	76 673
Surplus/(Deficit) for the year	25 888	(14 159)	11 729	(17 087)	–	–	0.0%	0.0%	–	–	–	16 543

RICHTERSVELD - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - Executive and council	–	(101)	(101)	49		–	0.0%	0.0%				82
Vote 2 - Administration: Corporate	19 738	6	19 744	23 688		–	0.0%	0.0%				19 075
Vote 3 - Administration: Community	3 206	0	3 206	1 283		–	0.0%	0.0%				4 484
Vote 4 - Financial Services	17 006	1 633	18 639	4 383		–	0.0%	0.0%				10 428
Vote 5 - Infrastructure	56 562	(14 864)	41 698	32 898		–	–	–				59 147
Total Revenue by Vote	96 512	(13 326)	83 186	62 301		–	0.0%	0.0%				93 216
Expenditure by Vote to be appropriated												
Vote 1 - Executive and council	6 378	442	6 820	6 244	–	–	0.0%	0.0%	–	–	–	7 304
Vote 2 - Administration: Corporate	7 454	(333)	7 121	9 283	–	–	0.0%	0.0%	–	–	–	11 051
Vote 3 - Administration: Community	7 027	(75)	6 953	7 245	–	–	0.0%	0.0%	–	–	–	3 975
Vote 4 - Financial Services	13 200	1 259	14 460	14 279	–	–	0.0%	0.0%	–	–	–	13 175
Vote 5 - Infrastructure	36 565	(461)	36 104	42 338	–	–	0.0%	0.0%	–	–	–	41 168
Total Expenditure by Vote	70 624	833	71 457	79 389	–	(7 932)	111.1%	112.4%	–	–	–	76 673
Surplus/(Deficit) for the year	25 888	(14 159)	11 729	(17 087)		28 816	-145.7%	-66.0%				16 543

RICHTERSVELD - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	13 682	(1 030)	12 652	9 728		2 924	76.9%	71.1%				9 711
Service charges - electricity revenue	12 613	0	12 613	12 883		(271)	102.1%	102.1%				11 025
Service charges - water revenue	8 129	(0)	8 129	4 841		3 289	59.5%	59.5%				5 657
Service charges - sanitation revenue	4 095	(0)	4 095	3 020		1 076	73.7%	73.7%				3 081
Service charges - refuse revenue	4 868	(0)	4 868	2 351		2 517	48.3%	48.3%				2 372
Rental of facilities and equipment	1 517	–	1 517	648		870	42.7%	42.7%				627
Interest earned - external investments	455	(0)	455	271		184	59.6%	59.6%				442
Interest earned - outstanding debtors	2 059	1 288	3 347	5 496		(2 149)	164.2%	266.9%				2 184
Dividends received	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Fines, penalties and forfeits	20	0	20	67		(47)	335.3%	335.3%				6
Licences and permits	101	–	101	1		100	1.2%	1.2%				7
Agency services	401	–	401	72		329	18.0%	18.0%				389
Transfers recognised - operational	19 071	1 375	20 446	20 620		(174)	100.9%	108.1%				19 355
Other revenue	2 914	(101)	2 812	1 502		1 311	53.4%	51.5%				3 475
Gains on disposal of PPE	–	–	–	–		–	#DIV/0!	#DIV/0!				886
Total Revenue (excluding capital transfers and contributions)	69 925	1 532	71 457	61 500		9 957	86.1%	88.0%				59 218
Expenditure By Type												
Employee related costs	26 569	(779)	25 789	26 412	–	(622)	102.4%	99.4%	–	–	–	25 419
Remuneration of councillors	2 408	125	2 532	2 489	–	43	98.3%	103.4%	–	–	–	2 446
Debt impairment	8 981	–	8 981	8 968	–	13	99.9%	99.9%	–	–	–	4 255
Depreciation & asset impairment	5 985	–	5 985	10 930	–	(4 944)	182.6%	182.6%	–	–	–	10 868
Finance charges	1 118	402	1 520	2 813	–	(1 293)	185.0%	251.6%	–	–	–	1 915
Bulk purchases	14 567	–	14 567	13 371	–	1 197	91.8%	91.8%	–	–	–	12 957
Other materials	405	(147)	259	988	–	(729)	381.9%	243.7%	–	–	–	1 464
Contracted services	3 276	339	3 616	4 127	–	(511)	114.1%	126.0%	–	–	–	7 059
Transfers and grants	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Other expenditure	7 315	892	8 207	13 905	–	(5 698)	169.4%	190.1%	–	–	–	9 625
Loss on disposal of PPE	–	–	–	838	–	(838)	#DIV/0!	#DIV/0!	–	–	–	–
Total Expenditure	70 624	833	71 457	84 840	–	(13 383)	118.7%	120.1%	–	–	–	76 010

RICHTERSVELD - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.i.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Surplus/(Deficit)	(699)	699	–	(23 340)		23 340	#DIV/0!	3339.6%				(16 792)
Transfers recognised - capital	26 587	(14 858)	11 729	6 252		5 477	53.3%	23.5%				33 335
Contributions recognised - capital	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Contributed assets	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Surplus/(Deficit) after capital transfers & contributions	25 888	(14 159)	11 729	(17 087)		28 816	-145.7%	-66.0%				16 543
Taxation	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Surplus/(Deficit) after taxation	25 888	(14 159)	11 729	(17 087)		28 816	-145.7%	-66.0%				16 543
Attributable to minorities	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Surplus/(Deficit) attributable to municipality	25 888	(14 159)	11 729	(17 087)		28 816	-145.7%	-66.0%				16 543
Share of surplus/ (deficit) of associate	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Surplus/(Deficit) for the year	25 888	(14 159)	11 729	(17 087)		28 816	-145.7%	-66.0%				16 543

RICHTERSVELD - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2018/19								2017/18			
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
<u>Capital expenditure - Vote</u>												
<u>Multi-year expenditure</u>												
Vote 1 - Municipal Manager	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 2 - Finance	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 4 - Infrastructure Development	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 5 - Economic Development	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Capital multi-year expenditure	-	-	-	-	-	-			-	-	-	-
<u>Single-year expenditure</u>												
Vote 1 - Municipal Manager	48	(23)	25	10	-	15	41%	22%	-	-	-	150
Vote 2 - Finance	23	10	33	33	-	(0)	101%	146%	-	-	-	-
Vote 3 - Corporate Services	-	169	169	170	-	(1)	100%	#DIV/0!	-	-	-	-
Vote 4 - Infrastructure Development	4	16	20	49	-	(29)	245%	1165%	-	-	-	26 511
Vote 5 - Economic Development	26 587	(14 858)	11 729	7 024	-	4 705	60%	26%	-	-	-	-
Capital single-year expenditure	26 662	(14 686)	11 976	7 286	-	4 689	61%	27%	-	-	-	26 661
Total Capital Expenditure - Vote	26 662	(14 686)	11 976	7 286	-	4 689	61%	27%	-	-	-	26 661

RICHTERSVELD - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2018/19								2017/18			
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital Expenditure - Standard												
<i>Governance and administration</i>	72	172	244	262	-	(18)	107%	363%	-	-	-	150
Executive and council	48	(23)	25	30	-	(5)	119%	62%	-	-	-	150
Finance and administration	24	195	219	232	-	(13)	106%	961%	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	3	-	3	0	-	2	0%	0%	-	-	-	-
Community and social services	3	-	3	-	-	3	0%	0%	-	-	-	-
Sport and recreation	-	-	-	0	-	(0)	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	641
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	641
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	26 587	(14 858)	11 729	7 024	-	4 705	60%	26%	-	-	-	25 870
Electricity	4 000	-	4 000	531	-	3 469	13%	13%	-	-	-	5 687
Water	15 000	(10 000)	5 000	4 678	-	322	94%	31%	-	-	-	16 360
Waste water management	7 487	(4 858)	2 629	1 815	-	814	69%	24%	-	-	-	3 823
Waste management	100	-	100	-	-	100	0%	0%	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	26 662	(14 686)	11 976	7 286	-	4 689	61%	27%	-	-	-	26 661
Funded by:												
National Government	26 287	(14 858)	11 429	7 286	-	4 143	64%	28%	-	-	-	26 661
Provincial Government	300	-	300	-	-	300	0%	0%	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	26 587	(14 858)	11 729	7 286	-	4 443	62%	27%	-	-	-	26 661
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	75	172	247	-	-	247	0%	0%	-	-	-	-
Total Capital Funding	26 662	(14 686)	11 976	7 286	-	4 689	61%	27%	-	-	-	26 661

RICHTERSVELD - Reconciliation of Table A7 Budgeted Cash Flows

Description	2018/19							2017/18
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, peanalties and collection charges	10 946	(900)	10 046	9 125	921	90.8%	83.4%	6 783
Service charges	24 131	3 900	28 031	20 624	7 408	73.6%	85.5%	20 943
Other revenue	4 668	(1 247)	3 421	2 566	856	75.0%	55.0%	3 153
Government - operating	19 071	1 375	20 446	20 397	49	99.8%	107.0%	18 126
Government - capital	26 587	(14 858)	11 729	7 766	3 963	66.2%	29.2%	35 579
Interest	2 128	(1 672)	455	271	184	59.6%	12.8%	442
Dividends	–	–	–	–	–			–
Payments								
Suppliers and employees	(55 845)	(1 491)	(57 336)	(54 634)	(2 702)	95.3%	97.8%	(55 693)
Finance charges	–	–	–	(514)	514			(329)
Transfers and Grants	–	–	–	–	–			–
NET CASH FROM/(USED) OPERATING ACTIVITIES	31 686	(14 893)	16 793	5 600	11 193	33.3%	17.7%	29 003
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	–	–			1 720
Decrease (Increase) in non-current debtors	162	–	162	–	162	0.0%	0.0%	–
Decrease (increase) other non-current receivables	–	–	–	–	–			–
Decrease (increase) in non-current investments	–	–	–	–	–			–
Payments								
Capital assets	(26 662)	14 686	(11 976)	(7 286)	(4 689)	60.8%	27.3%	(26 661)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(26 500)	14 686	(11 814)	(7 286)	–	0.0%	0.0%	(24 941)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–			–
Borrowing long term/refinancing	–	–	–	–	–			–
Increase (decrease) in consumer deposits	(65)	474	408	145	263	35.5%	-221.7%	93
Payments								
Repayment of borrowing	(703)	–	(703)	(1 647)	944			(1 447)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(768)	474	(295)	(1 502)	1 208	510.1%	195.5%	(1 355)
NET INCREASE/ (DECREASE) IN CASH HELD	4 419	266	4 685	(3 188)				2 708
Cash/cash equivalents at the year begin:	245	(0)	245	3 320				612
Cash/cash equivalents at the year end:	4 664	266	4 930	132	4 798	2.7%	2.8%	3 320